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RENMIN RIBAO ON WASTE OF RESOURCES IN ARMS RACE

HK151238 Beijir; REMMIN RIBAO in Chinese 13 Apr 87 p 6

[Article by Yi Yun (0076 0061): "The Arms Race Is a Scourge to the Common People"]

[Text] Reportedly, by the end of 1986, the total debts owed by developing countries amounted to \$1,035 billion; while in 1985, the world's total military expenses increased to some \$1,000 billion (with the two superpowers, the United States and the Soviet Union, accounting for more than half of this figure). These two startling figures may give people much food for thought.

On the one hand, so much money has been spent on making all kinds of weapons and on the arms race; on the other hand, so many nations cannot make ends meet and are so heavily in debt. What a miserable imbalance this is! What the people of the Third World countries long for is peace and development, or a rise in their living standards. They hate the arms race of the superpowers. Even in the developed countries, a large number of elderly people, women, and children are still living below the poverty line and urgently need care and relief.

If a part of the world's military expenses, even a very small part, is used to help the developing countries, then many good things may be done. For example, a modern tank costs about \$1 million, and this money can be used to build 1,000 classrooms for 30,000 children. Last year, the mited Nations spent the equivalent of half of the world's military expense for one hour and succeeded in stopping a locust disaster in Africa and protecting the food grain for 1.2 million people in one year.

It seems that there is no relation between the \$1,000 billion debts and the \$1,000 billion military expenses. In fact, a certain relationship does exist between the two. They show that the huge military expenses have harmed the interests of the less developed countries, intensified the lopsided development of the international economy, and brought deep sufferings to the common people throughout the world.

GUANGHING RIBAO VIEWS THATCHER'S MOSCOW VISIT

HK101555 Beijing GUANGMING RIBAO in Chinese 4 Apr 87 p 4

["International Commentary" by reporters Xu Shiquan (6079 0013 6898) and Gao Fengyi (7559 7364 0308): "Mrs Thatcher's Visit to Moscow"]

[Text] From 28 March to 1 April, British Prime Minister Mrs Thatcher paid a 5-day official visit to the Soviet Union, which once bestowed on her the title of "Iron Lady". This is the first visit by the head of government of a Western state to Moscow following the U.S.-USSR summit in Reykjavik, as well as the first visit by a British prime minister in 12 years, and it occurred at a time when Britain faces upcoming elections. Thus, it attracted widespread attention from the British and Soviet press as well as from various countries of the world.

During the visit, a subject of great concern was the arms control issue, notably the withdrawal of medium-range nuclear missiles in Europe. Since Prime Minister Thatcher has always been considered the Western leader with "special influence" over U.S. President Reagan, and since she also conducted consultations with French President Mitterrand and West German Chancellor Kohl on the eve of her Moscow trip, people are naturally interested in the impact of her Moscov visit on the negotiations on medium-range nuclear missiles in Europe.

However, in the course of her visit, both British and Soviet sides made it clear that the medium-range missiles are primarily an issue between the U.S. and the USSR, and that the site of this negotiation was Geneva, not Moscow. The two sides simply used the occasion of the visit to fully express their respective positions. Actually, some observers pointed out that the more important aspect of Mrs Thatcher's visit to Moscow was the "ideological encounter" between the leaders of the two countries. To use the expression of the USSR official spokesman, it was an "ideological exploration." In the new situation of the possibility of a certain degree of compromise between the U.S. and the USSR on the medium-range nuclear missiles in Europe issue, and at a time when Soviet leader Gorbachev has proposed a series of reformist measures, should certain adjustments be made in British-Soviet relations? What degree of trust should Britain bestow on Gorbachev? This is a question that Britain must answer.

With this visit, hes Thatcher made an "on the spot" observation and sizing up of the strategic intents of Gorbachev as well as the prospects of future developments in the Soviet Union. The two leaders conducted 11 hours of cont-on-one talks. Prime Minister Thatcher said that she had never conducted such lengthy talks with any other world leader. Although the talks have been described as "frank" and "absolutely not hostile," a study of the publicized conversations issued by the two sides indicates that the two leaders agreed to retain their differences on principal issues. Thatcher insisted that the question of human rights was the foundation on which to determine whether or not Britain could trust the Soviet Union and thus reach all kinds of agreements with it. On the other hand, Gorbachev appealed for the rights of the homeless, the unemployed and the victims of racial prejudice in the West, and also indicated that attempts to exert pressure to change the Soviet political system was pure wishful thinking. Regarding the arms control issue, the USSR leadership proposed that the fundamental way to ensure peace for mankind lies in the total destruction of nuclear weapons and suggested the realization of a nuclear-free world by the end of the century. Mrs Thatcher, for her part, replied clearly that this was only a fantasy and reiterated the position that only reliance on real might and nuclear deterrence will ensure the peace and security of Europe. As for the medium-range missiles, Gorbachev insisted on unilateral settlement of the question of destroying the nuclear missiles, while Mrs Thatcher clearly indicated that West Europe welcomes the destruction of medium-range nuclear missiles, but that it was necessary at the same time to restrict the USSR's short-range missiles. Regarding the Afghan issue, Thatcher demanded the immediate and total withdrawal of the Soviet Union, while Gorbachev did not make any new promises.

When Gorbachev visited Britain in 1984, Mrs Thatcher made a comment that was widely quoted: "I like Mr Gorbachev. He is someone we can do business with." When asked by reporters whether she has developed greater confidence in Gorbachev, her answers were a string of "wait and sees." The TIMES commentary believes that this visit did not achieve any breakthrough, and that instead, the visit was more significant for its positive "potential". A spokesman on the Soviet side also expressed that the USSR did not have high expectations of Thatcher's visit.

Nevertheless, the two sides stressed that the dialogues were very useful. At the end of her trip, Mrs Thatcher indicated that the visit opened a new chapter in British-Soviet relations. During her visit, the two vides also concluded accords on trade, culture, space cooperation, and on upgrading the "hotline" between the two countries. Owing to the prolonged lukewarm state of relations between Britain and the Soviet Union, this visit undoubtedly pushed forth the development of relations between the two countries. For the British Conservative Party, which faces upcoming elections, the image of Mrs Thatcher as "an international statesman" in her appearances at the Kremlin and in the streets of Mosco's is definitely valuable campaign propaganda. [paragraph continues]

On the other hand, the Soviet Union will regard these talks as the beginning of a series of important meetings with Western European states this year, and will continue to carry out its work on Western European states in an effort to create an international environment conforming to its strategic interests.

WORLD BANK, IMF MEETINGS END WITHOUT PROGRESS .

OW111219 Beijing XINHUA in English 1159 GMT 11 Apr 87

["Round-up: World Bank-IMF Spring Meetings End Without Substantial Progress (by Zhao Zijian)" -- XIMHUA headline]

[Text] Washington, April 10 (XINHUA) -- The spring meetings of the International Monetary Fund (IMF) and the World Bank concluded here tonight without making substantial progress on any major issue confronting the two institutions. Before the end of the meetings this evening, World Bank President Barber Conable told reporters that the meetings "at least let the finance ministers and central bankers think about something other than their domestic issues."

On the issue of the international debt problem, both the IMF Interis Committee and the IMF-World Bank Joint Development Committee called for more loans to debtor nations. "Thus far, response from commercial banks, export credit agencies and other sources of finance has been disappointing," Conable said. His view was echoed frequently during the conference. The only new wrinkle on debt strategies that surfaced during the meetings is the growing recognition by the international financial community that debtor countries come in two types: the middle-income debtor countries, which already have an industrial base; and those sub-Saharan countries which don't, and cannot pay back debt at all. The realization of the difference will at least provide food for thought when new debt strategies are designed.

Almost everyone, those from industrial countries and those from developing countries, took a dir view of the world economic situation, especially on the growth of the industrial world. The dim prospect of growth in the industrial nations puts further pressure on the world's commodities market, which hit a half-century low last year. The developing countries, as usual, were the main victims of it.

The industrial countries, through their Group of Seven, Group of Ten and bilateral meetings, agreed to further coordinate their economic policies, while the major industrial countries also agreed to stick to the February Paris accord on currency issued. The pledge is a welcome development because coordination, through indicators as delected by the IMF, can put some order into the world economy. But the effectiveness of the coordination is at best limited, especially since each of the major industrial countries has its own problems, and domestic politics always outweigh international commitments by far.

Even during the meetings, the U.S. dollar took a plunge after the remarks by U.S. Treasury Secretary James Baker yesterday that the U.S. dollar's fall during the past months was "orderly." Whether the plunge was speculators' overreaction or not, analysts here agree that it reflected the lack of confidence in the currency market over the "policy coordinations" of the industrial countries. As the ministers and central bankers leave Washington — they meet again this fall — they don't leave any tangible resuits, only the impression that they sense potential disaster and perhaps will make more verious efforts if danger draws near.

REAGAN SEES "PROMISE" FOR INF AGREEMENT

OW160030 Beijing XINHUA in English 0011 GMT 16 Apr 87

[Text] Washington, April 15 (XINHUA) -- U.S. Presiden: Ronald Reagan said today he was "pleased" with progress being made in Secretary of State George Shultz' talks in Moscow, but he refrained from giving a formal response to Soviet leader Mikhail Gorbachev's latest proposals on short-range missiles in Europe.

In a statement read to reporters by White House Spokesman Marlin Fitzwater in Santa Barbara, California, where Reagan is taking an Easter vacation, the President said "reaching equitable, effectively verifiable and stabilizing arms reductions agreements has long been one of the primary objectives" of his administration.

As a result of Shultz' three-day talks in Moscow, he said, there is now "promise for an agreement on intermediate range nuclear forces at some point in the not-too-distant future," although "much more remains to be done."

He said the talks showed that agreements on strategic missiles and space defense "will be more difficult." "We will continue our efforts in these areas as well," he added.

However, Reagan withheld his comments on Gorbachev's latest proposals put forward during a meeting with Shultz in Moscow yesterday.

In a press conference in Moscow this morning, Shultz confirmed a report by the Soviet news agency TASS that Gorbachev offered to eliminate all short-range missiles in Europe within one year to remove the obstacle to an agreement on reducing medium-range nuclear weapons in Europe.

The United States termed the offer as "interesting," but said it will not evaluate it before consulting with its allies.

Reagan said that "consultations with our allies, particularly on the Soviet proposals on short-range intermediate nuclear forces, are especially important."

"The President looks forward to meeting with Secretary Shultz tomorrow, at which time he will receive a full report on the details of the Moscow meetings and the briefings with our NATO allies," the statement said.

Shultz flew to Brussels today to brief NATO allies on his Moscow talks and is scheduled to return home tomorrow afternoon.

DENG INDICATES ZHAO TO RELINQUISH PREMIERSHIP

HE100743 Hong Kong HSIN WAN PAO in Chinese 16 Apr 87 p 1

["Special dispatch" from correspondent Shih Chun-kang: "Deng Xiaoping Reveals to Basic Law Drafting Committee Today That Zhan Ziyang Will Specifically Serve as Party General Secretary"]

[Text] Beijing, 16 Apr — CPC Central Committee Advisory Commission Chairman Deng Xiaoping met the entire body of members of the Basic Law Drafting Committee [BLDC] in the Great East Room of the Great Hall of the People in Beijing at 1000 (Beijing summer time) this morning. During his talk, he hinted that State Council Premier Zhao Ziyang may be formally appointed party general secretary after the 13th party congress and will no longer concurrently serve as premier.

He told the BLDC members present: "He (Premier Zhao Ziyang) is both our general secretary and our premier. He will have to give up one of these posts when the 13th party congress takes place. Generally speaking, the post of general secretary is the more important."

BAN YUE TAN REITERATES FAMILY PLANNING POLICY

HK160551 Beiging BAN YUE TAN in Chinese No 6, 25 Mar 87 pp 7-9

[Article by Gao Ping (7559 5493): "Family Planning Policy Has Not Changed"]

[Text] For a time in the past, on seeing that some couples in rural areas were allowed second births, some people asked: Has our country's family planning policy changed? It is necessary to give a definite answer to this question, and that is that our family planning policy has not changed and our determination to carry out family planning work is firm and unshakable.

Family planning is a basic state policy, worked out by the party and government in light of the country's national condition in which it has a population of I billion people and is quite backward economically. Since the CPC Central Committee issued the "Open Letter to All Communists and CYL Members" in September 1980, the party Central Committee and the State Council have dispatched documents on many occasions, repeatedly stressing that family planning is a "long-term task of strategic importance" and "a major strategic issue." They clearly defined: We must do our utmost to keep our population within the limit of 1.2 billion while striving to quadruple the annual gross value of industrial and agricultural production by the end of this century. In December last year, at a national family planning work meeting. Premier Zhao Ziyang pointed out: We must continue to make every effort to ensure the success of 'waily planning and not waver. Having a large population base, China is now facing a new baby boom. If the population grows at too rapid a rate, the four modernizations program will be hampered. The basic policy of putting population expansion under strict control must be adhered to. In the last few years, China's family planning has always been carried out in accordance with the principles and policies formulated by the party Central Committee and the State Council, and the success achieved has attracted international attention.

Our country's current family planning policy is to encourage late marriage and late child-bearing, less childbirth, and the use of scientific nursing methods. [paragraph continues]

With the exception of special cases, all state cadres, employees, and city dwellers are encouraged to have one child per couple. In the rural areas, each couple is generally encouraged to have one child. Consideration will be given to couples with actual difficulties who wish to have second births, but second and third births outside the plan should be strictly forestalled. Minority nationalities should also carry out family planning, but restrictions will be relaxed appropriately for them. In minority nationalities with a population of less than '10 million, couples are generally allowed to have 2 children. Very few couples are allowed a third birth, and none a fourth.

Conditions for having second children vary from locality to locality. As for the families of state cadres, employees, and city dwellers with exceptional cases, some localities stipulated that couples who have one child which is physically disabled due to other than genetic factors; comprise an only son and an only daughter; have failed to give birth after 5 years of marriage and adopted a child with official approval; are returned Overseas Chinese or returned compatriots from Taiwan, Hong Kong, and Macao; and couples who have remarried and who have not exceeded the plan, can have a second birth. In addition to the above regulations, people in rural areas are allowed to have a second child in certain other cases. These include couples with only one daughter, where the husband is the one and only male heir for two or more generations to carry on the family name; with only one daughter, where either husband or wife is an only son or daughter; where the man married a woman with a daughter, but without a son, and settled with her family; with only one daughter, where either he band or wife is physically disabled owing to other than genetic factors and losing the ability to work; involving a Class II or above disabled soldier; involving the only one among brothers who has the ability to produce; involving peasants and herdsmen in remote mountain districts who have real difficulties in production and daily life; involving fishermen in the labor-deficient coastal areas; and involving the only son and only daughter of martyrs who only have one child.

We have carried out family planning in accordance with the above policies in the past, and these policies have not changed. We will continue to implement them in the days ahead. Taking into consideration such factors as China's vast territory, that its economic, cultural, and resource conditions vary from place to place, in implementing the policies concerning family planning we should deal with each case on its own merit. For example, there should be a difference in the policies applied in the cities and the countryside. The economically developed areas are quite densely populated and have more surplus labor but lack natural resources, while the remote mountain districts, deep-sea fishing villages, forest sones, pastoral areas, and border areas are fairly rich in natural resources and relatively lacking in labor. In carrying outfamily planning, greater flexibility should be encouraged in the minority areas, particularly in those places which are inhabited by minority nationalities whose populations are extremely small. The aim of doing so is to make the family planning policy more consoner with actual conditions and more in keeping with the aspirations of the masses of people. This demonstrates that the party and government have taken both the fune untal, long-term interests of the state and the people and the insectiate interests or the masses into account. This is a continuing improvement and definitely not a change in family planning policy. In actual work, all localities must act in strict accordance with policies and refrain from vying with each other for higher population growth, because this will lead to unplanned growth in population.

In improving their own family planning policies, all localities must take the state's general family planning policy as the prerequirite and refrain from deviating from the principle of putting popultion growth under strict control. They must be very clear about this issue.

Our country's current situation in population control remains grim. One of the reasons behind this state of affairs is that China is facing a new baby boom which will last for over 10 years. According to a survey, in the 14 years between 1962 and 1975, China's population grew on the average of 25.8 million people a year. Beginning last year, this portion of the population had entered marriage and child-bearing age. If each new couple has only one child, the country will have, on the average, an additional 12 million people every year. If the second births permitted by policy, and the second and further births outside the plan resulting from failure to effectively carry out tamily planning, are added together, the country will see more babies each year. In 1986 some localities slackened their efforts to control population growth. As a consequence, the rate of extra births went up, and more and more women maried and gave birth earlier than in the previous period. Moreover, the country is now facing a new baby boom. According to a sample survey conducted by the State Statistics Bureau. last year our country's birthrate increased from 17.8 per thousand in 1985 to 20.77 per thousand and the natural increase rate rose from 11.23 per thousand in 1985 to 14.08. This fact serves as a warning to us. We must continue to pay keen attention to doing a good job in family planning; otherwise, we may follow the same old disastrous road of excessive and drastic population growth, thus retarding the progress of our country's four modernizations. Every couple reaching child-bearing age must respond to the call of the party and the state and willingly practice family planning.

RENMIN RIBAO URGES STRICT CONTPOL OF BIRTHRATE

HK151320 Beijing REMMIN RIBAO in Chinese 11 Apr 87 p 1

[Report by Lu Mu (7627 3668): "Our Country's Birthrate Increased Last Year; It is Imperative To Strictly Control the Birthrate"]

[Text] As revealed by a survey on selected units by the department concerned, last year China's birthrate increased by 0.297 percent over that of the previous year, and the natural growth rate was recorded at 0.254 percent over the Sixth 5-Year Plan. Calculated on the data provided by the survey, the net increase in the population last year was 1.68 million over the annual plan. If this is allowed to continue, by 1990 China's total population will increase by 8 million over the limit set by the Seventh 5-Year Plan, and it will be very difficult to control the population at about 1.2 billion by the end of this century.

Calculated on the basic figure of 1.2 million by the end of this century, the per capita GNP will drop by about 10 yuan with every increase of 10 million people. The increase in the total population will pose a higher, newre, and more difficult demand for bringing about a better-off life by the end of this century. China's population will increase by almost 200 million by the year 2000. If the annual per capita grain consumption is calculated at 400 kilograms, an increase of 800 million kilograms of grain will be required; if the per capita housing area is calculated at 6 square meters, an increase of almost 1.2 billion square meters of housing is required. This will add to the tasks of the departments and undertakings engaged in the production of grain and industrial products, in civilian communications, transport, and postal services, and in housing construction.

Last year, because some localities relaxed their family planning work, China's birthrate increased. The percentage of people who gave birth to a second child rose and the practice of multiple births was not strictly checked.

Strengthening and improving family planning work at the grass-roots level is an important guarantee for fulfilling the country's entire tamily planning task and controlling the birthrate. Family planning propaganda and service stations in all counties of the country should regularize and systematize their family planning work. In particular, it is necessary to improve the quality of course and personnel in charge of family planning work. Leading departments at various levels are required to render active assistance to basic-level units in resolving practical problems concerning family planning and to provide the necessary working conditions for them.

In the course of implementing the policy on family planning, whether strict control is exercised over the two child rate and the practice of multiple births is resolutely forbidden is the crux of whether China's population can be controlled at about 1.2 billion by the year 2000. Quite a number of localities are still lagging behind in family planning work, and they account for over 40 percent of the country's total. The practice of giving birth to a second or third child has increased. Therefore, it is necessary to strictly control the two child rate and resolutely forbid the practice of multiple births in the course of upholding the policy of one child for each couple and advocating late marriage and eugenics.

Practicing family planning is Chima's basic state policy. Doing a good job in family planning requires not only the efforts of family planning departments, but also close coordination between various departments. Problems such as early pregnancy due to early marriage, pregnancy before marriage, and birth control among the floating population and individual tracers all require the attention of the departments concerned. Appropriate measures should be taken as early as possible so that cases of pregnancy and birth outside family planning can be reduced.

COMMUNICATIONS DEPARTMENTS CHECK IRRECULARITIES

OW140641 Beijing XINBUA Domestic Service in Chinese 2319 CMT 13 Apr 87

(By reporters Guo Junzheng and Yang Like)

[Excerpts] Brijing, 14 Apr (XINBUA) -- The campaign faunched by departments under the Ministry of Communications to rigorously check professional irregularities has yielded results. There is a noticeable turn for the better in the common practice of the profession.

According to the results of a recent examination conducted by the passenger traffic departments of the Highway Bureau, the percentage of embezzlement among booking-office clerks is apparently down and the enterprises' revenues are up. It was found from checking 216 stations and routes in Liaoning Province that the percentage of vehicles with attendants practicing embezzlement of money from ticket sales has dropped from 41 percent in the past to 4.3 percent at the end of last year. The situations in Shandong, Shanxi, Hebei and other provinces hav, also improved. As a result of decreased embezzlement of money from ticket sales, there has been a comparatively large increase in enterprises' revenues. The communications departments in Yunnan Province discovered embezzlements in excess of 240,000 yuan and had them returned. Zhejiang Province got reimbursements of over 200,000 yuan in ticket fares during the second half of last year. Revenues at most stations in Shandong Province were up by 20 percent or more compared with 1985. [passage omitted]

The practice of accepting gifts and bribes and abusing power for personal gains has become less common among supervisory and administrative personnel of the communications departments. More and more people refuse to accept gifts, bribes, or dinner invitations. According to statistics of the Bureau of Comunications of Liaoning Province, last year more than 1,800 persons refused to accept bribes. These bribes were in the form of articles and Renminbi totalling some 300,000 yuan.

During their public observations and private investigations, the examination groups dispatched by the Ministry of Communications found that despite results yielded by the campaign to rectify unhealthy trends in the profession, about 20 percent of the units remain negligent in this endeavor, because the campaign has unfolded unevenly. The irregularities existing in a number of vehicles and vessels run by individuals and collectives jointly have yet to be dealt with.

VICE PLANNING MINISTER ON CAPITAL CONSTRUCTION

OW140916 Beijing XINHUA Domestic Service in Chinese 0122 GMT 13 Apr 87

[By reporter Ge Daxing]

[Text] Beijing, 13 Apr (XINGUA) — China's 1987 plan for capital construction investment has been decided. Gan Zhijian, vice minister of the State Planning Commission, told this reporter in an interview that the plan is an embodiment of the principle of the "three guarantes and the three restrictions" for construction [guarantee the construction of productive projects, projects included in state plans, and key state projects, while restricting projects that are outside the plan, nonproductive and nonessectial] and aims at concentrating necessary forces to create the material conditions needed for a sustained and steady development of the national economy.

The Fifth Session of the Sixth NPC decided after deliberations that this year's capital construction investment for China's state-owned units will be 114 billion yuan. This represents an increase over the target planned for last year, but is still 1.2 billion yuan less than the actual amount of investment made in the year. Compared to last year's investment plan, the investment increase will be 26 percent for energy industry; 6.7 percent for communication, transport, posts and telecommunications industries; and 27.5 percent for raw materials industry. Within these three weak links in the national economy, the proportion of investments in key projects has been increased from 52.5 to 53.3 percent of their total construction investment.

According to Gan Zhijian, the construction scale as called for in the investment plan is decided on the basis of the present situation and resources of the state. It is more limited than the scale originally conceived for each of the years covered under the Seventh 5-year Plan. However, it is more or less on a par with the level of last year's investment. This is conducive to guaranteeing a sustained and steady development in both capital construction and the entire national economy.

He said: The key to realization of this plan lies in our firm implementation of the various principies, policies, and measures set forth by Premier Zhao Ziyang in his recent Government Work Report. All localities and departments must strictly control the investment scale in accordance with the target set in the plans. They should continue to finish the projects under construction, improve investment structure, and step up construction of key projects in order to accomplish more with the limited investments. In view of the characteristics of this year's plan and the actual situation of construction, attention should now be directed to the following points.

Increase the targeted funds: A sizable portion of China's investment fund for capital construction this year will be raised by the state through issuing key project construction bonds and key enterprise bonds, the first of their kind in China. We must have the resolve to meet the target amount of these funds. For this purpose, all localities should keep the interests of the whole situation in mind to limit the scale of capital construction projects built with locally raised funds in order to use the saved funds to purchase the bonds so that all available funds are invested in the construction of key projects urgently needed by the state.

Tap potential in regard to materials: The state's material supply arrangement for this year is relatively tight. This, plus the fact that the construction task is heavy and that the fixed distribution quotas of major capital construction materials have been scaled down, has resulted in an even sharper contradiction between supply and demond. This calls for directing our attention to what potential we may tap ourselves and for our efforts to reduce consumption every stap of the way. Total designing, deciding on specifications and standards, fixing quotas, and actual estruction. Do not use steel stuctures where reinforced concrete ones can be used. In addition, we should make as much use of the large amount of rolled steel and other materials in inventory as we can.

Pay attention to the key projects: Our financial and material resources must be invested first in key projects, productive projects, and rounding-off items of a project. Aside from a small number of key projects and the State Council-approved urgent projects, no other new projects are planned for this year. Those units that are building key construction projects should all the core cherish the hard-to-obtain construction funds and resolutely correct the phenomenon of "key projects breeding heavy waste."

Quality first for the construction ranks: At present, we should focus attention on the promotion of spiritual civilization among the ranks of design, construction, and installation workers to make sure thay are firmly committed to the concept of hard struggle and building the country through thrift and hard work and to good vocational ethics. At the same time, we should vigorously improve their managerial and technical qualities and then seek, through them, a speedy improvement of China's performance in building construction projects.

UNAUTHORIZED USE OF LAND CONSIDERED SERIOUS

OW150637 Beijing XINHUA Domestic Service in Chinese 0005 GMT 15 Apr 87

[Reporter's letter: "Pressing Need for Various Localities To Establish Sound Land Management Organizations in Urban and Rural Areas"]

[Excerpts] Nanjing, 15 Apr (XINHUA) — A XINHUA reporter recently learned from an experience-exchange meeting on the study and popularization of the Land Management Lawheld in Jiangsu's Suzhou City that one-third of provinces, municipalities, and autonomous regions and 85 percent of townships and villages in the country still do not have unified organizations to manage land in urban and rural areas nor enough personnel to staff them. This situation requires ratification.

The meeting drew on the fact that in the period between 1975 to 1985, world tarmland increased 2.3 percent while the area of tillable land in China in the same period decreased 2.6 percent. The shrinking national farmland resulted in reduced grain production of up to 5 billion jin annually. The State Land Management Bureau conducted a nationwide survey of nonfarm land soon after its establishment. It found the situation of unauthorized land use very serious. The state land continues of the situation of unauthorized land use very serious.

Illegal use of land was four. in 40 percent of the land surveyed. Unauthorized use of land was even up to 60 percent in some areas. Therefore, the task of land management was made heavier by the seriousness of the situation. [passage omitted] Some delegates participating in the meeting said the most important cause of the failure of some provinces to timely establish land management organizations was the reluctance of some departments to give away their power. [passage omitted] The delegates called on the departments concerned to take the overall situation into consideration and establish sound land management organizations at all levels as soon as possible.

FANG YI, HU QILI VISIT ELECTRON COLLIDER PROJECT

OW151406 Beijing XINHUA in Eng. sh 1334 GMT 15 Apr 87

[Text] Beijing, April 15 (XINHUA) -- Fang Yi and Hu Qili, both Political Bureau members of the Chinese Communist Party's Central Committee, today visited the construction site of the largest scientific project in China -- Beijing's electron collider. Speaking to the physicists and atomic accelerator engineers working on the project, Hu Qili said: "The smooth progress of the project is a victory for our open policy. Without the policies of reform and opening to the outside, without our scientists going abroad and foreign scientists coming to China, it would be unthinkable to make such an achievement."

According to the project manager, construction is half finished. The technicians are now installing the heart of the electron collider -- [8] spectrometer magnet where positron and negatron meet and collide. It is expected that by the end of 1988, this gigantic accelerator will go into operation.

Hu congratulated Chinese scientists and workers for their achievements in manufacturing their own super-advanced accelerator equipment, such as magnets and klystron. "Reform and open policy does [as received] not contradict the idea of self-reliance. Practice has assured us that we Chinese are capable of catching up with the world's advanced level in highly-advanced equipment manufacturing. We must be self-confident at this point," he said.

Fang Yi asked the construction engineers and technicians to strengthen their work in safety measurement and testing.

The Beijing electron collider is located at the High Energy Institute under the Chinese Academy of Sciences. Chinese top leader Deng Xiaoping attended the ground breaking ceremony in October 1984. It was reported that at present only the United States, Western Europe, and Japan have such level of accelerator.

LI PENG CALLS FOR FLOOD PREVENTION EFFORTS

OW140801 Beijing XINHUA Domestic Service in Chinese 1405 GMT 13 Apr 87

[By RENMIN RIBAO reporter Xiao Junxi and XINHUA reporter Zhou Yichang]

[Text] Beijing, 13 Apr (XINHUA) -- Li Peng, vice premier of the State Council and head of the Central Flood Prevention Headquarters, stressed the following points when speaking at a flood prevention report meeting involving certain provinces and cities which concluded today.

He said: It is imperative to establish and perfect the responsibility system for flood prevention work at all levels, firmly grasp the building of emergency antiflood projects and the removal of river course obstructions, and make good preparations for preventing floods both ideologically and materially. We should see to it that every preparation is made to avert disesters and ensure that we will safely pass this year's high-water season.

An atypical climate inaracterized by warm weather last winter and low temperatures this spring has been conserved in quite a few areas in our country. This, coupled with the effects of other unfavorable atmospheric and marine meteorological factors, is expected to bring about relatively bad weather conditions during the high-water season this year and may lead to a rather conspicuous cycle of floods and drought. Because of this, the Central Flood Prevention Headquarters held a report meeting on antiflood work in certain provinces and cities with a view to studying this year's flood prevention work and safety measures with particular attention to some big rivers.

Li Peng said: Flood prevention work concerns not only our industrial and agricultural production, but also the safety of state assets and the lives and property of millions of people. It also concerns the smooth progress of our "four modernizations" program. Our country has done a great deal of work and achieved remarkable results in harnessing rivers and building water conservancy projects since the founding of the People's Republic. However, the potential danger associated with some big rivers in our country has not been radically removed, and our capability of combating floods is still rather low. If a huge flood hits us, serious damage may be the result. In view of this, the principle of our antiflood work is to persist in "taking prevention as the main task and attaching more importance to prevention than to rescue." This year we must ready ourselves to combat big floods and make good antiflood preparations. We must take preventive measures beforehand so as to minimize losses caused by possible floods. The key of success in flood prevention work is to establish and perfect a responsibility system for this work at all levels. On a nationwide scale, flood prevention work is the responsibility of the State Council, with the Central Flood Prevention Headquarters taking charge of the practical work. As for provinces, prefectures, cities, and counties, it should be made clear that primary responsibility for flood prevention work rests with the provincial governors, prefectural administrative commissioners, city mayors, and county heads. If serious damage results from dereliction of duty, the provincial governor, prefectural administrative commissioner, city mayor, or county head concerned should, first of all, be investigated to determine his responsibility. Li Peng continued: Flood prevention command organizations should be established and perfected at all levels. They will function not only as working organs of local governments in combating floods, but also serve as commands at the forefront of flood prevention work. In addition, the absence of any extraordinary flood in the past 2 or 3 decades and the replacement of old cadres at various levels has resulted in a situation where we have to deal with new cadres who lack experience in preventing floods. In vi w of this, governments at all levels should pay attention to flood prevention training so as to raise their cadres' ability in this respect. Last year the state Council promulgated a plan for combating extraordinary floods that may be caused by the Huang He, Chang Jiang, Huai He, or Yongding He. This plan, which is still valid this year, must be strictly carried out. Provinces and autonomous regions may set specific rules and demands according to the actual situation in their localities so as to make the flood revention work a real success.

Li Peng stressed: At present, earnest attention should be paid in all localities to the construction of antiflood projects and the removal of river course obstructions. Since the founding of the People's Republic, our country has built many water conservancy projects and antiflood facilities, which have played an effective role in preventing floods. On the other hand, however, a number of problems have arisen as a result of these facilities. [paragraph continues]

For example, some reservoirs and dams may pose a severe potential danger. More serious still, during the past few years some localities have used part of some river courses as sites for new buildings and factories or for piling up garbage or growing high-stalk plants, thus reducing to a great extent the flood-draining capability of these rivers. This has become a common problem in flood prevention. It presents a most serious threat to safety and deserves great attention from all concerned. In addition, the flood-prevention role of many lakes has been drastically reduced as a result of silt deposits and reclamation projects, which have turned part of the lakes into land. Because of this, governments at all levels should make good use of the present valuable time before the advent of the high-water season and make arrangements to build as many emergency projects as possible. They should see to it that all dikes, sluices, and dams that pose a potential danger are repaired and reinforced, and all river course obstructions are removed before the high-water season comes. The departments concerned must take the overall interest into consideration, strictly enforce discipline in carrying out flood prevention work, and obey orders and commands.

In conclusion, Li Peng said: Flood prevention is a very comprehensive task. It is necessary to mobilize and arouse the personnel of all departments and quarters concerned to make single-minded and concerted efforts to combat this natural disaster. He added: The PLA, which has made outstanding contributions to the people by doing rescue work, should render new services to the people in this regard as they did in the past. Departments of meteorology, posts and telecommunications, radio and television, transportation, civil aviation, supply, and civil affairs should all shoulder their heavy responsibilities in flood prevention work. They should do their respective jobs well, set up clear-cut responsibility systems, and demonstrate a spirit of unity and cooperation in supporting flood prevention work.

PRC TO TIGHTEN CONTROL ON MACHINERY IMPORTS

OW151824 Beijing XINHUA in English 1443 GMT 15 Apr 87

[Text] Guangzhou, April 15 (XINHUA) -- China will tighten control on imports of machinery and electric appliances and limit such imports to badly needed specialized products in the economy, a senior official said here today.

Zhu Rongji, vice minister of the State Economic Commission, told participants of a national forum that better measures must be taken to reduce imports of consumer goods and general machines that China can build itself, instead of key equipment of advanced technology.

An open bidding system will be set to allow Chinese manufacturers the first opportunity to build the machines currently being imported, said Zhu.

Tax concessions should be more strictly implemented on imported equipment required in technological renovation projects, and this equipment should also be put to Chinese manufacturers before imports are bought, he said.

An appropriate ratio should be worked out between the use of home-made equipment and that which is introduced from abroad, and domestic industry should also concentrate on designing and producing key equipment that the country imports, said the vice-minister.

These measures are important to ensure that the country uses its precious foreign exchange to import badly-needed equipment to help develop the national economy, he said.

PAPEA DISCUSSES ECONOMIC REFORM STRATEGIES

HK130657 Beijing JINGJIXUE ZHOUBAO in Chinese 29 Mar 87 p 4

[Report by Wang He (3769 7729): "The Strategic Choice in Economic Structure Reform"]

[Text] The Editorial Department of JINGJI YANJIU held a forum on 9 March to review and sum up experiences in economic structure reform over the past 8 years and to conduct studies on the strategic choice for further reform in the years to come.

In his article entitled "Some Thoughts on Reform Strategy" published in the second issue of this year's JINGJI YANJIU, Wu Jinglian pointed out that the reform of China's economic structure has reached a critical turning point and is confronted with the question of making a choice on a series of major issues. The course taken will determine whether the reform can develop in death and will even produce an impact on the success or failure of the reform. Comrades attending the forum agreed with this view and held that economic theoretical circles should conduct extensive discussions, make an overall summarisation and examination of economic reform over the past 8 years and, on the basis of acquiring a profound understanding of China's basic conditions and the specific national conditions following the 8-year reform, give clear and definite answers from a higher theoretical level to a series of major issues arising from the practice of reform.

Some comrades held that delegating power to enterprises and letting them share the benefits constituted the main contents of economic structure reform over the past 8 years. The measures adopted to delegate power to enterprises and letting them share the benefits at the beginning of the reform indeed played an immense role in smashing the trammels of the old structure and promoting economic recovery and development. With the deepgoing development of the reform, however, delegating power to enterprises and letting them share the benefits alone manifested their limitations and the problem was that benefits were not linked with risks. Instead of undertaking the necessary risks, enterprises and individuals vied with one another for preferences in the power delegated to them, thus stimulating an increase in general demand rather than attaining better economic results. For this reason future reform should be focused on readjusting economic relations, establishing and perfecting a commodity market system, and setting up an economic mechanism that effectively distributes resources. Otherwise, the reform will encounter greater difficulties. Some comrades held that delegating power to enterprises and letting them share the benefits should not be equally treated in a general way At present, as many departments have not delegated the power that should be delegated to enterprises, it is not recommended to suspend the practice of delegating power to enterprises. Moreover, enterprises entrusted with decisionmaking power should obtain benefits by improving management and operation rather than being "granted" benefits by higher authorities. To ensure the effective operation of the economic mechanism, some comrades emphatically pointed out, the difference between administrative decentralization decentralization should be distinguished in the question of delegating power. Some comrades said that the structural reform of a socialist country usually leads to the repeated cycle of delegating power and centralizing power. For this reason, it is extremely important to make a strategic choice. Only by making a correct choice can we free ourselves from the repeated cycle. In a large country like ours some comrades said, decentralization at the intermediate level is inevitable. However, some other comrades believed that "macroscopic control at different levels" will only strengthen administrative control at the intermediate level.

Some comrades held that the key to economic reform lay in readjusting the prices when there is no serious inflation. The prerequisite is to create a relatively spacious environment in which supply exceeds demand and ensures steady economic development, rather than impatiently seeking instant benefits and blindly pursuing rapid economic growth. As the various reforms are actually interrelated, some comrades said, it would be impossible to make a breakthrough in price reform or other single reforms.

The choice of mid and long-term targets involves an understanding of the extent of the open market; namely, should we develop a primitive market economy or a planned commodity economy? Some comrades held that a commodity economy suited to the socialist system required in economic structure reform is a modern commodity economy rather than a primitive commodity economy. As socialism's planned commodity economy has its specific characteristics, the state should organize, regulate, and exercise control over the market according to the target of economic development.

The strategic choice of reform requires comparision being made between different designs. What reform measures should be adopted for confronting the current dual structure and for the new economic mechanism to operate effectively? If confrontation of the dual structure continues, some comrades said, it will be unfavorable to economic reform and development. It is necessary to speed up the pace of reform, adopt resolute measures, create a spacious economic environment without serious inflation, ensure the smooth progress of overall reform, and set the national economy in a new orbit. Since it is difficult for a spacious economic environment and a comprehensive plan to take shape within a short period, some comrades said, confrontation of the dual structures will remain for a long period. Measures should be taken to mitigate the contradictions and frictions, gradually effect the transition to a new structure, and establish a new operational mechanism.

The forum also advanced other problems that called for study. For example, the endurance of various aspects or conditions of China's economic structure reform; how to maintain steady operation of the structure in the transition from the old to the new structures; how to lift restrictions on the market and prices according to market development; and the relationship between enterprise operation mechanism and market environment.

More than 20 comrades attended the forum. They were from the General Office of the State Council, the Development Research Center of the State Council, the State Commission for Restructuring the Economic System, the Planning and Economic Research Center of the State Planning Commission, the Rural Development Research Center of the State Council, the Economic Research Institute of the Chinese Academy of Social Sciences, the economic research centers of the financial and material departments, and from institutions of higher learning.

ECONOMIST STRESSES UNDERSTANDING ECONOMIC REFORM

HK110301 Beijing GUANGMING RIBAO in Chinese 28 Mar 87 p 3

[Article by Yn Zuyao (0060 4378 1031)" "Deepen the Understanding of Reform in the Practice of Eronomic Reform"]

[Text] The reform of our country's economic structure is currently progressing in an irreversible manner. The state and the people are laying their hopes on the reform of the whole structure. [paragraph continues]

As Comrade Deng Xiaoping pointed out, if the structure is not reformed "not only will there be no hope for the four modernizations but the problem of the party's downfall and the nation's downfall may also be involved, and there is the possibility of the demise of the party and of the country." ("Selected Works of Deng Xiaoping," p 352) To carry out reform in a big socialist country with a population of 1 billion people is an unprecedented and extremely arduous task both in breadth and in depth. If it is said that in the past we learned how to execute warfare in the course of war and learned construction through construction, then it may be said that at present we are learning reform through the implementation of reform. Reform itself is a great institution of learning. Following the development of reform we are gradually deepening our understanding of it.

I. Reform Is a Basic Shift in the Pattern of Socialism and Is Not the Self-discarding of the Socialist System [Subhead]

Reform of the economic structure is an intensive revolution. This is meant to refer to the significance of the shift in the pattern of the economic structure. Our country's original economic structure is a type of structure which has the characteristics of a natural economy and relies on administrative directives for the distribution of goods in kind. It sharply contrasts with the commodity-based character of a socialist economy. Reform is aimed at converting this natural economic structure into a planned socialist economy. Since this involves converting the economic pattern, it is not an operative structure which involves changing the individual departments or the national economy or of the individual stages of social reproduction, but is aimed at the overall and systematic reform of the structure and form of the ownership system, as well as of the decisionmaking system, regulatory system, interest structure, and the economic organizational form. Thus, both the depth and breadth of this conversion and reform will far surpass the transformation of the ownership system which changes the belonging relationship of properties.

Reform inevitably touches on people's reciprocal relationships and readjustments in positions and power necessarily cause different reactions among people of different classes and at different levels. But reform is not a political revolution of one class of people overthrowing another class. It is not the self-discarding of the socialist system but is self-improvement of the socialist system. First of all, the reform touches on only the socialist economic structure and has nothing to do with the basic system of socialism. The purpose of the reform is to suit our country's economic structure to the character of socialism at its initial stage and to fully display the strong points of the socialist system. Second, reform is carried out in a guided, planned and systematic manner. Reform is the intimately related enterprise of the millons of people and without the creativity and support of the wast masses reform cannot succeed. Without the party's correct leadership and Marxism's scientific guidance reform can never firmly take the correct road. It is erroneous to set the party's correct leadership and the masses' creativity in antipathy against each other. Third, reform possesses a progressive and long-term character. Reforming the old structure and establishing a new structure with Chinese characteristics requires the existence of definite social, economic, and cultural conditions. On the other hand, reform cannot wait for the full maturity of these conditions before it makes a start not help the shoots grow by pulling them upward or surpassing the objective conditions. People who are enthusiastic about the enterprise reform should devote their utmost efforts to developing the productive forces.

II. Seize Hold of the Problems of the Period in Which Double Patterns Coexist and Grasp With Great Coordination the Reform's Changing of Tracks in Its Structure and Development Strategy [subhead]

The development pattern determines the structural patterns. The pattern of the economic structure serves and obeys the pattern of the development strategy. Our country's original economic structure is the product of the development strategy which is aimed at a high-speed growth in heavy industry both in quantity and in quality. Hence, in reforming the economic structure it is not sufficient to rely simply on paying close attention to the coordination of the economic operational structure. Rather, it is necessary to first do a good job in changing the track of the development strategy. This may be said to be one of the key points for the success or failure of the reform.

In the economic life of our country there are currently 'he following four conflicts: The conflict between the new structure now taking its i a and the old structure; the conflict between the new development strategy and the traditional development strategy; the conflict between the new economic structure and the traditional development strategy and the conflict between the new development strategy and the traditional structure. Only through seising these four conflicts and solving them correctly can we reduce and finally eliminate the various kinds of frictions during the period of the coexistence of the two patterns and shorten the procedure of changing tracks.

The four conflicts mentioned above are the basic causes giving rise to many of the problems in the economic life of our country. In recent years, countering the drawbacks of the old structure, reform steps have been taken in succession such as the collecting of taxes in lieu of profits and using bank loans to replace direct appropriations from the state, and so forth, all of which are in full conformity with both the direction and purpose of the reform. However, it can hardly be denied that these big and important measures of reform have not achieved their desired effects. Beginning from the fourth quarter of the year before last, with the loss of control over the banks' credit and loan funds as the starting point, losses of control over capital construction, consumption funds, and foreign exchange have followed in succession, leading to an excessive growth rate in industrial production, to general demand far surpassing general supply, to the market becoming tense anew, and to the buyer's market losing its grip once again. The causes leading to the overheated economy cannot be ascribed to the above measures of reform but, rather, to the results of the old structure and traditional development strategy asserting the role of their working Insofar as the structure is concerned, the purpose of shifting from appropriations to bank loams is to enforce the measure of the compensatory use of funds. However, due to the banks' failure to operate in a businesslike manner and bear sole responsibility for their own profits and losses and due to both the borrower and the lender bearing the investment risks, the old structure's operation mechanism has still been asserting its role. The only difference is that "everybody has been eating from the same big pot", not at the expense of state finance but at the expense of the banks. The banks have opened wide their loan facilities and enterprises have absorbed them to their hearts' content. In other words, the conflict between the operational mechanisms of the new structure and the old structures had made the measure of "bank loans in lieu of state appropriations" become alienated altogether. Seen from the side of the development pattern, the various departments, the various regions and even the enterprises themselves have not considered objective needs and feasibility, but have blindly gone after the quadrupling of production value and quantity, and recklessly joined with one another in competing for speed. This has the caused the overheating of the economy.

In spite of the state increasing its investments in major departments, the strained conditions in the supply of raw materials and energy and in communications and transport facilities have remained and the processing industries have continued to blindly pursue a high growth rate.

Among the various conflicts during the period of the coexistence of the two structures, the conflict between the new structure and the traditional development strategy is the main conflict affecting the progress and the success or failure of that reform. The objective of the reform of our country's economic structure is to build a structure and form of the ownership system as well as an economic operation mechanism which is suited to a socialist commodity economy. Hence, it is necessary to extricate enterprises from their status of being subordinate to government organs and to make them commodity producers, full of vitality and relatively independent. It is necessary, starting from opening up the products market, to effect a full-scale opening up of the essentials markets, to gradually form a market system, and then to display the regulatory functions of a planned market mechanism and to realize the changeover from direct administrative control to indirect control mainly through a planned market's coordination and regulation. If the economic development pattern does not change tracks, then it goes without saying that not only can market system and a market mechanism be formed but also a products market cannot even wholly be opened up. At the same time, reform is the readjustment and reorganization of economic relations and economic interests. Each and every step of the reform must take as a precondition the economic capacity to bear the burden and the psychological capacity to bear the burden. The making of these two preconditions is determined by whether or not we can, in an all-round and real earnest manner, bring about the changing of the economic development strategies.

III. Reform of the Ownership System Form and Structure Must Proceed at the Same Pace as the Changeover of the Economic Operational Mechanism: To Unilaterally Emphasize One Side, or Mechanically Arrange the Order, Is Unsuitable [subhead]

The form and structure of the ownership system and the operational mechanism are the two indivisible constituent parts of the economic structure. As for enterprises which are the basic carriers of the burden of social production and operations, the operation mechanism (including the motivating power mechanism and self-regulation and control mechanism) built on the power, responsibility, and interest formed by the property relations determines the motive and direction of the enterprise's action and controls the extent of the enterprise's capacity to respond to the feedback of market news and information. The operational mechanism is the market mechanism which regulates, coordinates, and guides enterprise's actions and is the external condition and environment of an enterprise's operations. The ownership system and the operational mechanism possess the quality of being unified, restrictive and irreplaceable. If the structure of the ownership system and the operational mechanism of the enterprise have already become normal and rational, but the pricing system is still not in order, the market is still operating under the old structure and the enterprise's external operation conditions are still not on a status of equality, then, under such conditions, notwithstanding the reform of the owernship system, the enterprise's actions cannot be rational and its energy and capability cannot be fully extended. Coversely, if the various econome parameters including prices have already been put in order and the external conditions for the enterprise's competition have in general been on a status of equality, but the soft budgetary control over the enterprise is still not removed and "everybody is still eating from the same big pot," then, under such conditions, it is still difficult to basically avoid the enterprise's actions from being for the short-term only or to invigorate the enterprise. Therefore, to realize the overall benefits of the reform, first of all it is necessary to greatly coordinate the reform of the ownership system with the reform of the operational mechanism at the same pace.

IV. Reform of the Economic Structure Is An All-Round and Systematic Change and Reform of the Structure Is Not a Partial Improvement, But Does Not Preclude the Necessary Partial and Temporary Improvements [subhead]

A socialist economic structure cannot be formed in one stroke. It must follow the development of the productive forces and be continuously readjusted so that it can improve step by step. In this context, this task of perfecting the economic structure is tied to the socialist system throughout. The reform we are now enforcing is to realize the basic conversion of the form of the economic structure, that is, conversion from a planned economy of the natural economy type to the commodity economy with planning. In the course of the reform the good points of the old structure must be retained. But reform is not just perfecting the old structure and cannot be confined to mending and repairing the old structure. The practices of other socialist countries have already confirmed that carrying out partial improvements within the framework of the old structure, such as changing or revising the examination and assessment targets of the enterprises' strengthening stimulation of the mechanism, setting up economic legislation, and so on, are insufficient to remove the illness and drawbacks of the old structure. For this reason, improvement cannot take the place of reform.

Nevertheless, reform cannot preclude improvement. Our country is a big country with a vast territory and a huge population. In the various regions and among the different races, their economic and cultural development is vastly imbalanced. Our commodity economy is behind not only that of the Western developed countries but also that of the Soviet Union and the East European countries. As a whole, the modernization of the national economy has not yet been completed. Hence, compared with other socialist countries, the span in time and space of the reform in our country is much wider, the difficulties are more numerous and larger, and the reform's procedure must take more time and be gradual in character. The coming on stage of the various reform measures must take into consideration not only the ability to be sustained economically and financially, but also the masses' ability to bear the reform psychologically. Moreover, the procedure of the reform must suit the development and objective level of the productive forces and of the commodity economy. To hope for "reaching the goal in one step" or to attempt to achieve the reform in a fast and "sweeping" manner would be like helping the shoots to grow by pulling them upward, resulting only in more haste and less speed. The whole reform should proceed in stages and steps. Simultaneously with implementing the strategic reform wasures with a bearing on the situation as a whole, it must be supplemented by the necessary countermeasures for partial improvements.

Naturally, improvement must serve reform, be subordinate to it and never hinder or impede its further development. In other words, any partial or temporary improvement measure must follow the demands of reform and maintain the same direction as the reform.

V. The Progress of Reform Possesses the Objective Character of Not Being Diverted by Man's Wishes; It Must Have a Sense of Urgency But Cannot Be Rushed Too Hastily (subhead)

The steps and speed of the reform are determined not only by objective necessity but also by objective possibility; they are under the restriction of objective conditions. In the past we suffered from the torments of an impractical high speed in the transformation of the private ownership system and in the economic growth rate. In the present reform we must guard against falling into the old trap. Reform of the economic structure is essentially aimed at the fulfillment of a change in the economic pattern. [paragraph continues]

But, after all, economic development has its own fixed laws. Generally speaking, in realizing the target and pattern of the reform of the economic structure the following economic conditions are indispensable:

First, modernization of the national economy has already reached a definite state. The operational mechanism and management methods of socialized production are applicable only to modernized large-scale production. If they are transferred for use on small-scale production, then it will be difficult to obtain the anticipated results. Just imagine if agriculture stays, for a long time, on the small-scale production basis of depending on handicraft labor, facing an enormous multitude of 180 million peasant households, how is it possible to effectively enforce planned indirect regulation?

Second, the commodity economy must have grown to substantial proportions. Realization of the target and pattern of the reform of the economic structure must have the precondition of the formation of a products market system which is unified and open to all sides and also of a market system for production essentials. But the all-round formation of a market system is the product of the development of a commodity economy toward a developed monetary economy. We can create the conditions for speeding up this conversion process. This is because the completion of this procedure is, in the final analysis, determined by the nature of the productive forces, while the productive forces are not subject to man's free choice. Can it not be said that under the conditions in which commodity and money relations are generally on the stage of a simple commodity economy or of the growth of the market is at a rather low degree in the transitional period from a simple commodity economy to a developed commodity economy, it is impractical to seek the planned market mechanism fully displaying its regulatory functions?

Third, the cultural level of the whole people has universally improved. While the well-being and vitality of an economy naturally depends on the existence of a perfect working mechanism and operational mechanism, the quality of man himself who is principally responsible for directing economic actions also plays a role that cannot be ignored. Despite the existence of a perfect regulatory system by the market mechanism, if the traditional natural economic outlook still dominates man's thinking, if among the adults the proportion of illiterates is substantially large, if the main scientific and technological sectors are still behind those of the developed countries, and if it is not possible to gradually form a contingent of entrepreneurs who can manage well and control the commodity economy, then the new structure can hardly display its well-being and vitality.

Fourth, a relatively liberal and lax financial and economic environment must exist. Reform cannot start after the complete formation of such an environment nor can reform be undertaken when the environment is "urgently in the making." Such an environment is essential because reform must have the state's financial and economic support and also because in the structures' changeover period due care must be given to the relations on all three sides, no mely, reform, living and development. It is also because only in such an environment is it possible to reduce and avoid the economic risks and political risks of the reform. A liberal environment is not only necessary for reform but also is a possibility. The creation of such an environment need not be deferred until after the fundamental formation of the new structure. The key lies in that the changing of tracks of the development strategy must take place beforehand or at least starts its pace simultaneously with the reform.

The above-mentioned conditions are indispensable for the realization of the target and pattern. [paragraph continues]

If they are disregarded in the implementation of the various big and important reform measures then it will be difficult to achieve the anticipated results. We must clearly understand that the targets of our reform are enormous ones, but that the reform has a rather late starting point. Hence, the reform's difficulties are great and the time required for realizing the targets and pattern is also very long. Man cannot freely choose the productive forces and thereby cannot freely select the form of production and the form of exchange. This theory is wholly applicable to economic reform.

NONGMIN RIBAO URGES DEEPENING RURAL REFORMS

HK090541 Beijing NONCHIN RIBAO in Chinese 28 Mar 87 pp 1, 2

[Article by the Editorial Department: "Correctly Understand Policies, Conduct Series Investigation and Study, and Deepen Rural Reforms -- On Several Questions in Deepening the Current Rural Reforms"]

[Text] Since the spirit of November's agricultural work meeting has reached the live levels, various localities have universally reported that the meeting has played a positive role in upholding the four cardinal principles, reassuring the public, deepening rural reforms, and in making further advances in an already very good situation. However, some people considered it barely acceptable, arguing that it produced nothing new and "exciting."

How should we actually approach this issue? First, there should be a change in our way of approaching things. In other words, we should not always concentrate on "excitement" and interpret rural reforms as "deregulation" in a summary fashion. Of course, reform calls, above all else, for flexibility and removal of some restrictions of the old system. However, destruction without construction will not solve problems, particularly economic problems. Therefore, there must be both destruction and construction and construction should be achieved through gradual accumulation and solid work. Second, in implementing rural economic policies, we should refrain from relying exclusively on "a great flourish." Instead of staying at the surface layer, we should deepen our reforms and strive to make breakthroughs. At present, the problem is that the surface layer has been broken but the deep layer has not yet been scratched. It must be understood that each locality has its own characteristics, strengths and weaknesses, and strong points and difficulties. Therefore, it is necessary to go deep into the realities of rural areas; to observe and study how central policies work in different localities, and to separately and conscientiously sum up the experiences of the masses in all fields of endeavor. Sometimes an advance in the practice of the masses speaks louder than any number of documents and speeches from higher authorities and is better than ac? arrangements adopted through meetings. Important things can produce real results only when they are converted into action by the masses. Policies cannot play any role in changing reality before they are put into action by the masses. Therefore, conducting serious investigation and study and effectively resolving problems has become the most important task of the second stage of rural retorms.

Seriously Study and Analyze the Rural Situation, Be Concerned About the Trends of Rural Reforms and Economic Development [subhead]

In the last few years, great successes have been achieved in our country's rural reforms. These achievements are scored on the basis of upholding the four cardinal principles, conducting reforms, and opening up the country to the outside world. [paragraph continues]

In terms of the country as a whole, the frame of the new socialist commodity economic structure has begun to take shape. As such, it should be further substantiated and perfected. While thoroughly implementing the policies on the second stage of rural reforms, we must seriously observe and study the changes and problems which have emerged or may emerge in all fields of endeavor and attach greater importance to those in the economic sphere. At present, as far as the exchange of farm produce and manufactured goods is concerned, the former is at a disadvantage. Therefore, we must find a way to solve this problem to enable farm products to be really regulated by market mechanisms. Of course, even with regulation by market mechanisms, agriculture is still at a disadvantage, because industrial productivity is high and agricultural productivity low.

It is necessary to seek appropriate compensation forms, such as developing the operation of scale and agricultural science and technology and operating industrial and sideline enterprises to support agricultural production, to open up more avenues of rural income. In this way, though agriculture is at a disadvantage in terms of regulation by market mechanisms, with the supplements from other fields of endesvor, agriculture is still in a position to maintain a certain growth rate. Evidently we have to take this road. To hope that the state will further lower the prices of means of production or raise the prices of farm produce by means of financial subsidies is something that may be hard to accomplish. Therefore, it is necessary to complement agricultural income through many other souces of income such as developing a diversified economy and secondary and tertiary industries, including processing industries, production of special local products, handicraft industries, export of labor services, and building and mining industries.

To meet the needs of the situation's development, leaders at various levels, and comrades doing rural work, must learn more economics. At present, many comrades have scanty knowledge of economics and know too little about the market, prices, exchange, and the interrelation between the macroeconomy and microeconomy. This being the case, it is necessary to organize cadres to learn some economics so that they can use the knowledge to formulate the practice of the planned commodity economy in China. We should conduct investigation and study in different localities from the viewpoint of economics. In terms of the situation of the country as a whole, the country can be roughly divided into three categories: 1) Regions where the economy is developed in a all-round way, 2) regions where the economy is developed to some extent, and 3) poverty-stricken border regions. We should conduct investigation and study in these regions to acquire important information.

Stress Improving the Commodity Circulation Structure [subhead]

As everybody knows, with the implementation of the system of contracted responsibilities with payment linked to output, the peasant possess decisionmaking powers. Moreover, they have greater decisionmaking powers than state-run enterprises in the cities. As far as urban state-run enterprises are concerned, government and enterprise functions there have not yet been separated; enterprises are still attached to organs of power; their decisionmaking powers are imperfect. The market is also not perfect. We have a commodity market but have no productive factor market. Therefore, the flow of manpower and funds if restricted. If an enterprise fails in operation, the state has to support it. In other words, it assumes responsibility for its profits alone and is not accountable for its losses. Urban state-run enterprises do not have the power to dismiss superflows workers. Rural enterprises operated under household management thoroughly assume sole responsibility for their profits and losses and therefore, they are more adaptable to the market. The drawback is that household-based small-scale production is isolated from the market. [paragraph continues]

Small-scale production can be linked with the market only through intermediate exchange organizations, however, the current intermediate commercial organizations are flaved. Therefore, at present the peasants face two great difficulties: One is that the market is too risky. Market supplies vary from day to day. A shortage of goods will drive prices up and a plentiful supply of goods will push prices down. The other is that there is too much loss in intermediate interests. When money is taken away from the market as profits by middlemen, the consumers find prices to high and unbearable and the producers also do not gain much from this intermediate activity and feel it is unprofitable. Why do people make so much money in intermediate line ? The situation varies for each trader and peddler, combination, cooperative, and state commercial enterprise. A new interest setup has emerged as the system of unified state purchasing and marketing is giving way to a pattern in which commodities are traded without restrictions. Therefore, only when we have a clear picture of the relationship of interest between all sides concerned in terms of commodity exchange can we take correct measures. Therefore, we should not casually repeat the old remarks prevalent in the last few years, such as "failure to remove restrictions" and "man-made barriers." If we fail to discover reasons and to have a clear picture of the above relationship, it will be useless for us to repeat such remarks. Why did some localities in Chanxi stop selling coal outside the province? Why did some localities in Jilin stop selling grain in other parts of the country? Why did some localities in Hunan stop selling oranges and live pigs in the rest of the country? To thoroughly find out the reasons for this state of affairs, not only must we go deep into the realities of life to conduct investigation and study but we must also master some knowledge of economics. This will help us clearly understand and thoroughly resolve the problems. How should reforms be conducted in the supply and marketing cooperatives and state commerce? How should the peasants be organized? If we fail to get a clear understanding of these relationships of interest, we will really "be unable to make heads or tails of it." In short, in commodity exchange the peasants are in a passive position and the relationships of interest have not yet been straightened out in the previous reform. Thus, in the second stage of rural reforms, there are two tasks lying before us: One is to help the peasants avoid losses resulting from drastic price fluctuations in the market. The other is to reduce losses in intermediate interests. We should explore ways of reforming the circulation structure in line with these two tasks.

Where Do Funds for Developing the Cormodity Economy Come From? [subhead]

With the introduction of the system of contracted responsibilities on the household basis, with payment linked to output, to develop production we have to accumulate funds. By fund accumulation, we mean reducing today's spending and accumulating more input strength for tomorrow's development. Thanks to the implementation of the system of fixing output quotas for individual household, the peasants' incomes have increased. Therefore, we should carefully study and analyze the trends of their economic behavior. Now the peasants in many places spend their money mainly on housing, wedding parties, funeral ceremonies, and on banquets and gifts. How should we guide the peasants in diverting their incomes from these areas of spending to investment in production? Apart from conscientiously carrying out ideological and political work to deepen their understanding, guidance of policies should be stressed in solving the problem. Specifically speaking, it is necessary, first, to help the peasants dispel their worries about the policies on the development of production, foster policy intuition [sheng ce de yu qi gan 2398 4595 7315 2601 1949], and foresee that state policies will not change and instead, they will get better and better and second, to help them gain economic results or to make a profit from their investment. [paragraph continues]

Therefore, we should open money markets, allow interest rates to float, and permit the pussents to buy stocks and raise funds, at that they will feel that investing in these fields is more advantageous than spending their money on building houses, holding wedding parties and funeral ceremonies, or even depositing it in banks. Why do the peasants spend such a lot of money on housing? Apart from the need of some peasants to improve their living conditions, one important reason is that since the land reform, our housing policy has never been changed: Those who build houses own them. The peasants feel that building houses is something secure that has good expectations. Hevertheless, building houses bears no interest. The peasants need guidance in spending their money on productive undertakings which carry a promise of good interest. There is also the problem of guidance in reforming the undesirable practices of holding extravagent wedding parties and funeral ceremonies and spending money on banquets and gifts. In short, to help the peasants concentrate their funds on production, we should first, open money markets, and second, the prevailing habits and customs should be changed and the peasants should be helped to change some old concepts.

Stabilise the Household Contract System, Develop the Economy of Scale [subhead]

The rights and duties of the two parties under the system of contracted responsibilties with payment linked to output should be perfected. Among other things it is necessary to institute and perfect a 2-tier operating structure under which there are both people who contract for the land and people who contract the land out with land contractors. Land contractors have a duty to hand a portion of profits they retained under the profit retention system over to the state and land contract distributors have a duty to organize socialized service and to do a good job of providing services both before and after production. Guicance shuld be given to land contractors in jointly undertaking any projects that cannot be completed by any single household, such as water conservation, use of machines, plant protection, supply and marketing, and land leveling. The current situation is that many things are taken care of by villagers but not by village authorities, partly because there are no cooperatives in villages and partly because the villagers' committee does not assume this responsibility.

In places where there is no village cooperative, if villagers' committees are set up on the basis of natural villages and if they perform the functions of village cooperatives and village self-administration, land issues can be stabilized on a village scale and the duty, authority, and benefit of land contractors and land contract distributors can be perfected. So, relevant laws must be enacted and the legal system implementat. Those who are ready to till the land are entitled to contract for the land on a long-term basis and if they are later reluctant to 40 so or fail to work the land well, they are allowed to return it to the authorities concerned.

To fully exploit the results of the economy of scale, necessary land readjustments and transfers should be allowed. Therefore, it is necessary to assess the land to encourage the peasants to increase their investment in the land and farmland capital constaction. At present, in many places a system is being pursued under which peasant households are entitled to retain some farmland as grain ration fields and the rest of contracted out in a concentrated way and this portion of farmland is called responsibility plots. Some rural areas in Beijing's outskirts are adopting this system that allows those who are expert in tilling the land to contract for 10 to 20 mu of land. This relative concentration of land has put an end to the past practice under which land was tilled in a scattered and decentralized way and has considerably expanded the scale of land usage. [paragraph continues]

Land readjustments are necessary before the land is recontracted, because good and poor land was previously contracted out in proportion and it consumed large amounts of labor for a peasant household who contracted for several and even a dozen plots to go there and back. One organization should be assigned to take charge of these matters. It is best for an economic organization or a villagers' committee based on the natural village to handle these matters. A village-level 2-tier operation system can be established through natural villages.

The System of Contracted Responsibilities With Payment Linked to Output Is Self-improvement of the Cooperative System [subhead]

The system of contracted responsibilities with payment linked to output should be interpreted as the self-improvement of the socialist cooperative system rather than individual farming. Some comrades advocate that everything we have today should not be changed, thinking that after the introduction of the system of assigning the households full responsibility for task completion, everything will go off without a hitch. This is wrong. We socialists must advocate alliance of the laboring people. What we oppose is the incorrect alliance of the past. We should not fear advocating any alliance of the laboring people just because we are afraid of repeating past mistakes. On the one hand, we should stabilize the contract system and on the other, establish village-level economic management organizations which are a form of alliance of the laboring people. The facts have proved that the 2-tier operation system is nothing to be afraid of. The economy of scale is an irreversible trend. In pursuing capitalism or socialism, we should stress the economy of scale. However, we take the course of natural development and do not force ourselves to adopt it. Not forcing ourselves to do so does not necessarily mean attempting nothing and accomplishing nothing nor does it mean that everything will go well if only we introduce the system of assigning the households full responsibility for task completion. In reality, contradictions have emerged in some places: If the peasants are not organized, they will be unable to adapt themselves to competition in the market and if there is no social service before and after production, not a single household can accomplish anything and there can be no improvement in the productive forces. Therefore, production should be socialized. Small-scale production should be guided to move to socialization. For example, in Foshan City, Guangdong Province there are 115 households quite capable of working the land. Every household tills 50 to 100 mu of land. They have all done well with their land. The 2-tier operation system enables the laboring people to carry out production under separate or unified management. Separate management means household management and unified management means 2-tier operation. In developing production, a certain scale is always necessary. However, we must stress proceeding from actual conditions rather than stir up undesired winds everywhere. We must not negate the system of contracted responsibilities with payment linked to output. At the same time, we must encourage all localities to adopt different methods rather than a unified model. In some localities where conditions are not ripe, uniformity in pursuing the scale of production should not be demanded. This being the case, it is necessary to objectivize and institutionalize the policies concerning the land contract system, to stabilize the relationship of property, and to avoid mutual encroachment.

Diversified Economic Forms With Public Ownership as the Leading Role Are the Foundation for Rural Economic Development [subhead]

Implementing a 2-tier operation system and multiple forms of economic combination is the only way to develop the commodity economy after the introduction of the household contract responsibility system. This has resulted in an economic structure characterized by multiple economic sectors and forms of operation. [paragraph continues]

By multiple economic sectors, we mean that there are the system of ownership by the whole people, collective ownership, individual ownership, and private enterprises developed on the basis of individual ownership. By diversified economic forms, we refer mainly to the various forms of collective ownership, including economic forms with the collective, partially individual and partially collective or partially private and partially public, and transitional and intermediate mixed ownership. For instance, the household contract system not including the land is something like a mixture of state and private ownership. It allows possession of the means of production by individuals. Hence, there is a new change in the former concept of ownership.

Now that various economic sectors are allowed to exist, the existence of various forms of distribution should also be allowed. Distribution according to work is a diversified form shaped in the course of commodity exchange rather than a uniform pattern. Possession of the means of production does not mean equal and uniform possession. Therefore, it is also unavoidable that some people will become prosperous before others. However, wwe must not abandon the goal of common prosperity and moreover, we must now start making some necessary readjustments. If individuals accumulate excessive property, this should be properly readjusted by levying a tax on it but on no account must private enterprises be confiscated. Enterprises and individuals should still pay an income tax. Investment and buying of fixed assets should be encouraged. Taxation apart, no one shall violate and fleece people's property at will. Taxation serves both as an economic readjustment and an economic guarantee. First, private enterprises should be allowed to exist and second, there should be organs managing them. Without such managing organs, the enterprises will not feel at ease. Now some private enterprises ask that they be transformed to public ownership and their personnel become state cadres. This is not necessarily a desired phenomenon which deserves recommendation.

The Readjustment of the Industrial Structure Must Proceed for Actual Conditions [subhead]

Eight hundred million of China's population live in the countryside and land is limited. This poses a practical problem for us; that is, as production continuously devalops, it is necessary to gradually shift a portion of the labor force engaged in farming to other industries. If this portion of the labor force is not shifted to other industries and a rational flow of productive forces including labor force is prohibited, raising labor productivity will be an empty phrase and the countryside will not prosper. Therefore, there must be a rational industrial structure if the countryside is to develop steadily. In the past, the development of state-run industry failed to satisfy the peasants' need for employment. On the contrary, as the professional system of farmers and workers is fixed, workers and their children are always workers and farmers are always farmers. Practice has proved that this is detrimental to the development of society. Now this situation has been changed. The rural areas are moving to a track of comprehensive development. The development of a diversified economy in the rural areas has opened up more avernues of employment and more sources of income, thus enlivening the rural areas.

Now township enterprises are facing a new challenge. With the introduction of reforms in the cities and after state-run industries free themselves from their bonds, their capacity to compete will increase. This will create new pressure for township enterprises. The invigorated state-run industries mean a new test for the competitiveness of township enterprises. Therefore, instead of sitting back and relaxing, township enterprises should choose what to develop and what to abandon in regard to industrial policies. [paragraph continues]

In terms of the current situation, successful township enterprises can be on the whole classified into three categories: 1) They provide large industries with supporting services and are mainly located in the suburban areas, like township enterprises in such areas as Suzhou. 2) They depend mainly on local resources and engage in the building materials industry, such as quarries, sand, bricks, and tiles. 3) They engage in labor-intensive industries that cannot be carried out in the cities, which particularly include various industries processing local resources, such as the building materials industry and small mines. They are probably long-lasting projects. Therefore, all localities are encouraged to study their own industrial policies and carry out production on a local basis. After production is carried out on this basis, it should be further socialized. At the same time, supply and marketing should be based on a contract system and drastic ups and downs can thus be avoided. The problem at present is that some formerly underdeveloped localities where conditions are not ripe immediately went into action to build factories and as a result, they ended up losing money. Some localities built beautiful battery houses but there were no chickens there. Following the trend, many localities produced sea buck thorn [hippophae rhanmoides] drinks and, in reality, the drinks were mostly sugar water of inferior quality. Some township enterprises blindly competed with one another for high-speed growth, thinking the money belonged to the collectives anyway and it had nothing to do with them whether they made or lost money. Those localities where conditions are not ripe for industrial production should first do a good job in agricultural production. Only when they have done well in agricultural production, accumulated some necessary funds, and are able to feed themselves can they begin to talk about industrial development.

It must be understood that the primary accumulation for industry comes from agriculture. This holds true for both the state and the peasants. Therefore, those localities which have not had conditions for industrial production are encouraged to proceed from their actual conditions and either to grow vegetables, to raise rabbits or pigs, or to open mines according to their own capability. The most promising undertaking for poverty-stricken mountain areas is to offer labor services to places outside their localities. Be sending laborers "abroad" for "training," they can both make money and have their laborers trained. This move kills many birds with one stone.

The problems encountering the second-stage rural reforms are more extensive and profound that those confronting the first-stage reforms. Our current understanding lags far behind this situation. Therefore, we should be believely study and comprehensively understand the spirit of the party's rural policies in the new period. At the same time, we should conduct thorough investigation and study, constantly explore solutions to these new problems, and deepen the rural reforms.

NAVY APPROVES 13-YEAR MODERNIZATION PLAN

HK110712 Beijing CHINA DAILY in English 11 Apr 87 p 1

[By staff reporter Wang Gangyi]

[Text] Chinese naval authorities have approved a strategic development plan that will guide the Navy's modernization drive during the next 13 years, according to Navy Commander Liu Huaqing.

Liu told CHINA DAILY yesterday that "positive" offshore defence remains the fundamental strategy of Chinese Naval Forces. "The central task during the coming years," Liu said, "is to modernize, revolutionize and raise the standards of our troops."

Under the plan, the Navy's modernization will be carried out in three stages before the year 2000. But the three stages will be dealt with separately in terms of development priorities and the use of funds.

Liu said that since the Navy has different jobs to perform, its construction should be conducted in a planned and balanced manner. "Given a limited budget, priority will be on the development of sea combat forces, including warships, submarines and airplanes," he said. "To lay a solid foundation for future development," Liu added, "we will equip our troops with electronic command and communications facilities, missiles and other advanced weapons systems."

At present, the country's military fleet includes nuclear-powered submarines, one of which has just completed the maiden training voyage, plus ocean-going vesseles, escort submarine chasers and other warships. According to an official from the China State Shipbuilding Corporation, which is in charge of China's military as well as civilian shipbuilding industry, the industry is speeding up construction of new models of submarines, destroyers and minesweepers this year for the Navy.

Liu said the Navy has completed its reduction as ordered by the State Central Military Commission in 1985. "During the reduction," he said, "our command, logistic and maintenance systems and port management underwent major reforms." As a result, more than 80 units of various sizes have been eliminated, the structure of the naval force is more rational, command systems more mobile and efficient and combat strength fortified, he said.

Commenting on the government's current campaign to increase production and revenue, reduce expenditures and practice thrift, Liu said, "It is of great significance and the whole Navy supports it." He said that a similar campaign is being launched within the Navy. "The aim is to save 6.1 percent of this year's budget and increase our production income by 25 percent on the basis of last year."

Liu noted that supporting the country's economic construction and helping the people is both the PLA's tradition and its responsibility. The Navy made new contributions in this respect last year, he said. According to Liu, the Navy aided in 437 civil construction projects, provided 54,000 vehicles and vessels and opened seven military airports and 15 ports for civilian use. At the same time, it also participated in 747 disaster relief operations, rescuing 5,940 people, 104 vessels and 15,282 tons of materials.

LIAOWANG REVIEWS BIRTH OF CHINA'S MISSILE FORCE

HK140301 Beijing LIAOWANG in Chinese No 13, 30 Mar 87 pp 24-25

[Article by Zhang Jiajun (1728 1367 6511): "The Story of the Birth of China's Strategic Missile Force"]

[Text] A square formation of silvery-gray missiles appeared in the procession of the grand parade under review in Tiananmen Square in celebration of the 35th anniversary of the founding of the PRC. The missiles were like a host of swords pointing at the sky, and caught the attention of people at home and abroad. That was the "debut" of China-made missiles.

China's missile force has followed a brilliant path from nothing to existence, and from small to large.

Quiet Birth [subhead]

One afternoon in early December 1957, several young cadres with a comparatively higher educational background, including Huang Yi and Li Su, respectively head of the Military Affairs Department and chief of the Organization Section under the Artillery Headquarters of the Central Military Commission, were summoned to a meeting, without previous notice, by Commander Chen Xilian and Political Commissar Qiu Chuangcheng of Artillery Headquarters.

In a small office with door and windows almost hermetically sealed, Commander Chen and Commissar Qiu relayed the decision of the CPC Central Committee and Chairman Mao on initiating the strategic missile force, and the instruction from the Central Military Commission demanding that Artillery Headquarters establish a surface-to-surface missile training corps as quickly as possible. Then the commander announced the list of cadres appointed to the leading body of the missile training corps by the Artillery Headquarters party committee.

Those young and able cadres at department and section levels were meticulously selected to be in charge of founding and organization of the training corps.

Through strict and meticulous selection and examination, in full swing for about 2 weeks, one by one, more than 600 fine cadres and soldiers from various branches of the Army and institutes of scientific research arrived and reported to the training base -- somewhere in Beijing -- around 9 December.

Thus, China's strategic missile force came quietly into being.

At 1200 one day in October 1958, the missile training corps conducted an initial live missile firing excercise after 10 months of arduous training. Marshals Chen Yi, He Long, and Nie Rongshen and other leading headquarters personnel came to watch it in high spirits. The soldiers of the missile force lived up to the expectations of the revolutionaries of the older generation with the success of the first firing! Marshal Chen came up to Huang Yi, commander of the training battalion, and held the hands of the latter, a "small intellectual," who had joined the New Fourth Army straight from school in 1940, and who had served 7 years as an operational staff officer under Shu Yu. Marshal Chen then said with deep feeling: "You are the founders of the missile force. That is a glorious task! The burden on your shoulders is quite heavy. I hope you will work hard to master the technology, and take up the great responsibility entrusted to you by the party and the people."

In June 1959, the Central Military Commission made the decision on demobilizing the missile training corps and establishing the strategic missile launching battalion, based on the training conditions of the missile training corps, with Li Shu appointed commander and Zhang Kejian political commissar of the new battalion. Soon, the missile battalion was assigned a training task and came to the vast Gobi Desert.

March Along Against Wind and Sand, Cold Currents, and Hardships [subhead]

The stirring lines of the poem "The strong wind even turns every stone; no grass has ever grown on the earth; no birds have ever flown in the sky, and no wild geese ever stopped here to rest" have circulated in this vast Gobi Desert throughout the centuries. It was during the years of the great natural disasters in China that the missile force was first stationed here. This made the hardships ever tougher for them. [paragraph continues]

Despite the fact that Premier Zhou Enlai and the Central Military Commission had allowed this force special treatment, a month's grain supply lasted them only 2 weeks, and they had to go several hundred miles looking for grass fit for camels to supplement the grain for their daily food.

Not only did the comrades of the missile battalion have to go through the trials of food and water shortages, they also had to adapt themselves to the harsh climate. When winter came, the camp, with its simple and crude equipment, did not provide them with heating facilities at temperatures of 20-30 degrees below zero, and they had no way to fend off the assaults of the cold winds. At night, when it was too cold for them to sit, they had to wrap themselves in their blankets and move about the rooms. Most of the comrades suffered from serious frostbite. Because of anoxia, some of them often felt sick and dissy, and the overwhelming majority of officers and men in the battalion suffered from edema as a result of nutritional deficiencies and being unaccustomed to the climate. At the same time, some comrades suffered from indigestion as a result of eating half-cooked rice over a long period.... It was indeed a time of hell!

Their training was all the more arduous. Upon the order "take positions" from the commander, one after another the "equipment" was pulled toward the launching prd from various sheltered emplacements in the best of order. The operators began to loosen ropes thick enough for tug-of-war, and ran in step down to the propulsion chamber. Next came the sharp voices reporting "cable unrolled!" Almost all at once, words of command and reports of every description in sharp voices rose here and there, echoing in the Gobi Desert.

Operator Zhang Yuanqing was a junior middle school graduate; however, he worked hard at his studies and completed such courses as "Advanced Mathematics" and "Semiconductor Circuits" in the short span of 2 years, and wrote voluminous notes of more than 200,000 characters on training. In his uniform pockets were always data cards of all kinds, which he studied and committed to memory wherever he went. In an examination and competition held by the National Defense Science, Technology and Industry Commission in the presence of commanders of all arms of the services, this young wan with strength of character accurately drew a circuit diagram of a range finder with more than 3,000 lines and 10,000 joints, all from memory, in a very short time, and recited over 500 operational rules without a single mistake in the words of command, as well as more than 200 items of data in figures.

There were many comrades like Zhang Yuanqing, who learned and practiced techniques and skills diligently in the training battalion. Without exception, all the comrades of the battalion obtained top scores in an examination on live missile firing in September 1960.

The First Rainbow-[subhead]

In the Great Hall of the People in the early 1960's, a solemn rally was held in celebration of the successful launching of the first missile developed by the Chinese. The news shocked the world like a roar of thunder.

That launch was carried out by none other than this missile battalion.

In July 1963, the Central Military Commission gave approval for the missile battalion to perform the task of launching a live missile. That was a genuine test and trial for the young missile launching battalion.

When the news came, people in the battalion were overjoyed. Had they not worked hard and suffered all those hardships, the scorching heat in summer, the bone-chilling cold in winter, and the blanketing sandstorms in spring just for the success of the launch?

At 0700 on 3 October, the sky was blue over the Gobi and the crisp morning breeze wafted over the endless desert. At the launch site, the missile soldiers were operating at full attention, and words of command and report in resonant voices rang in the air. The silvery-gray missile stood like a sword pointing at the sky, sitting in all its magnificence on the launch pad, commanding the earth.

"Countdown!" There was complete silence in the command office. "Ignition!' "Lift off!" In an instant, there was an earth-shaking roar, and from the launch pad a beautiful fire shot upward, supporting the missile, which now rose slowly toward the sky. According to procedure, it gradually tilted, made a turn, and entered flying orbit, leaving a trail of white smoke in the sky. A few minutes later, news came from the designated target area: "It hit the target! We have made it!"

There were tears in everybody's eyes, commander and soldiers alike, and the lawach site seethed with excitement. The "successful launching of a live missile," beginning with the establishment of the "No I Missile Battalion," marked a new milestone in the modernization of China's national defense. More than 2 decades have elapsed since then, and our missile force has grown mature and powerful. "Mighty underground fortresses" have been built one after another in the vast land of China, and a strategic missile force of considerable size has already been assigned the important mission of safeguarding the motherland as well as world peace.

LIAOWANG VIEWS REFORM OF ARMS PRODUCTION ORDER

HK140621 Beijing LIAOWANG in Chinese No 13, 30 Mar 87 p 22

[Article by Chen Zhiqiang (7115 2535 1730) and Zheng Ne (6774 3109): "Reforming the System of Placing Production Orders for Arms and Equipment in Our Country"]

[Text] "Now, the bidding begins?" said the man in charge in a clear and sonorous voice, immediately drawing the attention of all the members of the four bidding combines that had come to submit their tenders. Everyone was focusing their attention on and closely watching everything that took place on the platform. Supervised by the notary public of the Beijing Municipal Public Notarization Office, the tender inviter and the recorder took out a bundle of bidding documents sealed by the Public Notarization Office and then put on a board the main targets concerning the contracts for the overall design and building of a certain new missile-carrying escort vessel....

The scene described above was the first large-scale bidding for the development of a piece of major military equipment.

How should we modernize the arms and military equipment of our Armed Forces? How should we carry out the reform of the scientific research structure of our country's national defense in the process of the old economic structure being replaced by a new one? How should we rationally use the funds and increase the investment results in the development of the arms and military equipment of our country's Armed Forces? [paragraph continues]

All these questions are being considered and discussed by senior officers at military headquarters and by engineering and technological personnel on the fronts of scientific research and the production of arms and military equipment.

For a long time, the commodity nature of our country's arms and military equipment was not clear, and the funds earmarked for the development of our country's national defense were always distributed to the various industrial departments, which would then distribute the funds to the various scientific research and production departments through their respective administrative channels. This was actually the administrative method characterised by the "supply system," under which what is spent is reimbursed under a unitary administrative order. Under the control of this administrative method. scientific research units and customers actually "ate from the same big pot." The scientific research units lacked "motivating force," while the military units, which were the customers, could not effectively take part in the management of the scientific research that was carried out on arms and military equipment. Moreover, the plans made for scientific research on, the production of, arms and military equipment had almost no restrictions in both supply and demand. As a result, the tasks were out of line with the funds, and the units that used the arms and military equipment lost contact with the units that developed and produced the arms and military equipment. Hence, the longer the period for carrying out such scientific research and development, the more profits the relevant enterprises could get, while product quality was ignored.

At the beginning of 1985, the Navy decided to try to invite tenders for the research and development of a certain new missile-carrying escort vessel. The tenders would include the primary design, technological design, construction design, building, berthing experiments, trials, and completion of the vessel. The implementation of the contract system for the whole construction project was aimed at bringing into full play the enthusiasm and initiative of the various scientific research units through competition, so as to enable the Navy to acquire a new missile-carrying escort vessel of good quality and greater combat effectiveness at a reasonable price within the expected period of time.

After sufficient consideration and study, during the last 10 days of March 1986, the relevant departments of the Mavy sent formal invitations to the shipyards which had the experience and capability to build that type of vessel, inviting them to submit tenders for the development of such a vessel. These shipyards were the Chongqing Shipyard, the Huangpu Shipyard in Guangshou, the Qiuxin Shipyard in Shanghai, and the Qingdao Shipyard in Shandong Province.

After the letters of invitation were sent out, the various units receiving them all sought help from the provinces, cities, and prefectures to which they belonged and brought into full play their own advantages in an effort to win the contracts. The Sichuan provincial people's government supported the Chongqing Shipyard in submitting its tender by mobilizing all the relevant factories and units to provide assistance and cooperation to the shipyard with regard to the research and production of missiles, cannons, electronic equipment, and so on. Qingdao City also supported the Qingdao Shipyard by providing it with manpower, material resources, funds, and so on.

Within a few months, the Hungpu Shipyard, Chongqing Shipyard, the Qiuxin Shipyard, and the Qingdao Shipyard "happily cooperated with" the design units and formed their respective bidding combines, thus creating the atmosphere for the competition among the four interested parties, which were situated in the east, south, west, and north of the country respectively.

In order to defeat their competitors in the fields of technology, quality, price, and speed, the four bidding combines actively collected all available domestic and foreign materials concerning the design of advanced military vessels of the same kind, strictly expounded and proved their superiority and feasibility of the various plans for the building of such vessels, conscientiously and various ship models, and carried out various experiments in pools according to the requirements set for ships to be exported. Some units also used civilian ships to carry out the relevant experiments, continuously improved their own shipbuilding plans, and tried to design and produce a new generation of advanced military vessels for the Navy.

Deng Sanrui, president of the Harbin Institute of Ship Engineering, which was the partner of the Chongqing Shipyard in submitting a tender for the building of the vessel, personally led his comrades in selecting 4 out of over 2,300 domestic and foreign draft plans for designing the same type of vessel, and then selected the best draft plan after carrying out experiments on ship models. In order to get a clear idea regarding the functions of the main engine prescribed in the contract, the bidding combine formed by the Qiuxin Shipyard, which had a stronger capability, tried to overcome a lot of difficulties, and on three occasions sent people to the relevant factories and institutions in other provinces to carry out research and investigation. By developing the advantage of their rich experience in bidding for domestic and international projects, the bidding combine formed by the Huangpu Shipyard accomplished within half a year an amount of work usually needing 2 or 3 years. Not long before the official bidding started, finding that the draft plans, drawn after great effort, were not conducive to the future modernization of the Navy, the members of the bidding combine formed by the Qingdao Shipyard worked day and night to revise their draft plans.

On 3 March 1987, the bidding entered the assessment period. When each beautifully framed bidding document, with standardized wording and clearly drawn charts, was unfolded in the four big conference rooms of a big hotel in the western suburbs of Beijing, the experts who had been engaged in Navy equipment work for decades were surprised by the excellent quality of the draft plans. They said: "Everything for the customers" has been advocated for many years, but it has not been truly realized until this day! In order to create a fine environment for fair and equal competition among the interested bidding parties, the relevant departments of the Navy had applied for the Beijing Notarization Office to supervise the whole process of official bidding so as to bring the bidding work onto a legally protected path. All the members of the bidding work group had conscientiously carried out research and demonstrations beforehand in the spirit of active exploration in taking every step forward in order to ensure the smooth progress of this new work in a down-to-earth manner.

In order to scientifically set the criteria for the assessment of the tenders, the relevant departments of the Navy employed experts and organized an advisory group to carry out the assessment. The advisory group was composed of experienced, qualified, and well-known experts from within and outside the PLA. These experts adopted the method of multilevel analysis and the method of referring to experience to deal with the relevant data concerning the criteria for assessment, so that they have achieved gratifying results in their work.

At present, the bidding work is continuing in depth in accordance with the relevant legal procedures. Soon, the names of the units whose tenders have been accepted will be announced and the bidding work will enter the period of contract negotiations. This is the first bidding for production orders for military products. Although it has just begun, it is a reform experiment which has profound significance.

ACTIVITIES PLANNED FOR PLA'S 60TH ANNIVERSARY

OW151015 Beijing XIMBUA Domestic Service in Chinese 0144 GMT 15 Apr 87

[Text] Beijing, 15 Apr (XINHUA) — China will hold nationwide activities between mid-July and early August to celebrate the 60th founding anniversary of the Chinese PLA, which falls on 1 August 1987. A report on celebrations planned for the 60th founding anniversary of the Army submitted by the CPC Central Committee's Propaganda Department, the Civil Affairs Ministry, and the [PLA] General Political Department has been approved by the CPC Central Committee, the State Council, and the Central Military Commission.

The report submitted by the CPC Central Committee's Propaganda Department, the Civil Affairs Ministry, and the General Political Department said: The commemoration activities will focus mainly on upholding the four cardinal principles, carrying forward the glorious traditions of the PLA, and promoting Army-government and Army-people unity. The activities will publicize specifically the great exploits performed by our Army under the leadership of the party for the cause of liberating the Chinese people and defending the building of the motherland; the outstanding contributions made by Mao Zedong and other proletarian revolutionaries of the older generation in the Chinese revolutionary war and in Army building; the new achievements and new look of our Army since the 3d Plenary Session of the 11th CPC Central Committee; the purpose and principles of Army building; the fine work style and heroes and models of our Army; and the concern, love, and support the Army is getting from the governments at all levels and the people of all nationalities. It is expected that these publicity activities will strengthen the concept of national defense among the people of the whole country as well as their consciousness of loving and supporting the Army, and will inspire all commanders and fighters in the Army to make still greater contributions in promoting the building of our Army, defending and building the motherland, and safeguarding world peace.

The report proposed that commemoration activities be carried out by combining centralisation and decentralisation, combining activities in the capital with those in other parts of the country, combining activities sponsored by leading organs with those held by grass-roots units, and combining activities held by the Army with those held by the localities. The celebrations may be ceremonious or lively, varied, and colorful, but it is necessary to pay attention to practicing thrift and simplicity and achieving actual results and to make sure that they are held in an atmosphere of unity and encouragement with the Army and the people celebrating together.

The report prepared by the CPC Central Committee, the Civil Affairs Ministry, and the General Political Department included specific arrangements for some of the commemoration activities.

RUI XINGWEN EMPRASIZES INVESTMENT, EFFICIENCY

Encourages Production Campaign

OW101009 Shanghai City Service in Mandarin 0100 CMT 10 Apr 87

[Excerpt] Rui Kingwen, secretary of the municipal party committee, said yesterday: There are great prospects for Shanghai in carrying out the drive to increase production, practice economy, increase revenue, and trim spending. The various departments under the municipal party committee and government must give vigorous support to the implementation of this drive. They should provide all manner of support and services to this drive, support legitimate economic activities, and resolutely check extravagance, waste, and dishonest practices. Party organizations at enterprises must exercise political and ideological leadership over the drive to ensure it will progress in a sound manner.

To intensify the drive to increase production, the Shanghai television station, JINGJI RIBAO, and the Shanghai entrepreneurs' club have jointly sponsored a series of activities to deepen enterprise reform and promote the drive to increase production, practice economy, increase revenue, and trim spending.

Rui Kingwen, secretary of the municipal party committee, and Deputy Secretary Huang Ju attended yesterday's opening ceremony. Comrade Rui Xingwen also said in his speech: Despite the difficulties in energy, raw materials, and funds, Shanghai has many strong points. We have a solid industrial base, advanced science and technology, a relatively high level of modern management knowhow, a good location, and quick access to information. We should have the confidence to overcome the difficulties. [passage omitted

Stresses Cutting Costs

OW120946 Shanghai City Service in Mandarin 0100 CRT 11 Apr 87

[Text] In an effort to firmly cut costs, Shanghai Municipality has launched a reexamination of the design of large and medium-sized capital construction and technical renovation projects. In this connection, the municipal construction committee called a survey and designing work conference yesterday.

According to reports, since the beginning of this year quite a few surveying and designing personnel in Shanghai have [words indistinct] efficiency and investment in aimless pursuit of high targets. They arbitrarily increased the insurance coefficiency and used excessive imported materials and equipment, thus wasting the investment while delaying construction.

As a result, the final accounts of a construction project exceeded its budget, which overtook a budgetary estimate that included tasks unassigned.

Rui Kingwen, secretary of the Shanghai municipal party committee, spoke at the meeting. He said: The central authorities have placed high hopes on Shanghai, which shoulders a heavy task in its overall urban and economic construction. As designing is the soul of an engineering project, the surveying and designing work has an important role in reconstructuring and revitalizing Shanghai. We must continue to implement the party's policy toward intellectuals and harness their enthusiasm in building work and facilitating its progress.

The zeeting called on all surveying and designing personnel to correct the guiding ideology in designing, overcome the tendency of [word indistinct] and disregarding the domestic situation, and strive to use the minimum investment to achieve the optimal results.

SHANGHAI ECONOMIC REGION PLAYS GROWING ROLE

OMO70914 Beijing XINHUA in English 0858 CMT 7 Apr 87

[Text] Beijing April 7 (XINHUA) - The Shanghai economic region, which was forced a few years ago, is now playing an increasingly important role in organizing major economic activities and in aiding less developed areas.

Wang Daohan, director of the Planning Office of the Shanghai economic region under the State Council, said that the State Council has decided to carry out experiments in how to manage and coordinate regional economic development by employing economic instead of administrative methods.

He said that the some has the ultimate goal of becoming part of the Pacific economic circle.

The Shanghai economic region embraces Shanghai Municipality, and Jiangsu, Zhejiang, Anhui, Jiangxi and Fujian Provinces, covering a total area of 637,800 square kilometers. They contribute a significant part to the national industrial and agricultural output value, state revenue, foreign exchange earnings and supply of commodities.

Now the region is operating under ten plans for the development of electronics, textiles, coal and posts and telecommunications. The fulfilment of these plans, which were launched last year, will help ensure a steady, well-balanced economic growth in the region, Wang said.

He told reporters that five more plans are being hammered out for the development of the iron and steel, textiles and building materials industries and port construction up to the year 2000.

Preparations will begin this year to draft land development plans for the Shanghai-Nanjing-Hangshou area and the lower reaches of the Yangtze River, for communications and transport, energy development and development of science and technology, he added.

The Shanghai economic region has also proven its worth in establishing economic ties between different departments and regions, organizing supply and development of energy and in setting up money markets and promoting the flow of commodities. Last year, the region raised 360 million yuan (about 97 million U.S. dollars) and reached an agreement with the Ministry of Coal Industry on the supply of coal for 30 years at an annual rate of 1.8 million tons.

Jiangsu, Zhejiang and Anhui Provinces and Shanghai Municipality have also raised 726 million yuan (about 196 million U.S. dollars) for building power plants, which will add a power generating capacity of 726,000 kilowatts.

With the support of the Shanghai economic region, 27 enterprises joined forces in a "Phoenix" brand bicycle group and 14 others in a "Forever" brand bicycle group, in an effort to increase the production of the two nationally famous brand bicycles that are in short supply in the country.

To promote the flow of idle funds and accommodation among enterprises and banks, the branches of the People's Bank of China and other specialized banks worked in cooperation with 50 bank branches in Shandong Province to carry out businesses in bill discounts and the settlement of accounts through promissory notes, turning some commercial credits into financial credits and shortening the liquidation cycle. Last year, they facilitated circulation of six billion yuan (1.6 billion U.S. dollars), thus easing the acute shortages of funds for economic development in the region.

Wang Dachan said the economic zone has also provided aid to the former revolutionary bases, including the Jinggang and Dabie mountain areas, and designated provinces and cities to form partners with those in the less developed former revolutionary base areas so as to boost local economy there. Last year alone, they carried out 132 such partnership projects, Wang said.

SHANGHAI ECONOMIC AREA PROMOTES FUND CIRCULATION

OW131322 Beijing XINHUA in English 1222 GMT 13 Apr 87

[Text] Hangzhou, April 13 (XINHUA) -- More than 30 banks in the five provinces and one municipality that make up the Shanghai economic area have set up 64 fund borrowing and lending centers since last April.

The banks in Jiangsu, Zhejiang, Anhui, Jiangxi, Fujian Provinces and Shanghai have set up the fund circulation centers to promote local efforts to increase production and reduce costs. The provinces, cities and counties in the area have also set up borrowing and lending centers of their own.

According to statistics, the circulated funds have amounted to 15 billion yuan and have supported the production of numerous enterprises.

GUANGDONG'S POSHAN CITY EXECUTES CORRUPT OFFICIAL

HK141035 Guangshou NANFANG RIBAO in Chinese 12 Apr 87 p 1

[Report: "Ou Chujie Paid the Penality in Foshan Yesterday"]

[Text] Major economic criminal Ou Chuj: [0757 2806 2638] finally suffered the supreme punishment of the law. Yesterday morning, the Foshan City People's Intermediate Court announced the judgment passed by the provincial Higher People's Court. Ou's offense was accepting bribes. His sentence was the death penalty, and he was deprived of political rights for life. After the announcement, Ou was brought to the execution field and executed by firing squad.

The accused, Ou Chajie, was an official of the Visa Department of the Foshan Public Security Bureau. From 1981 to August 1985, taking advantage of 39 people's visa applications for Hong Kong and Macso, Ou requested and accepted bribes of 119,366 Remainbi and HK\$249,800, in addition to gold necklaces, rings, and other items. This amount of bribes has rarely been seen since the establishment of the country.

On 16 August 1986, the Foshen Intermediate People's Court pronounced the death sentence on Ou Chajie on the charge of accepting bribes, and also deprived him of political rights for life. Dissatisfied, Ou appealed. At the end of the second trial on 29 December 1986, the provincial Righer People's Court rejected the appeal and the original sentence was upheld. Later, that final sentence of the provincial Higher People's Court was confirmed by the Supreme People's Court. Yesterday, the court pronounced prison sentences on seven other criminals.

Commentary on Corruption

HK141500 Guangzhou NANFANG RIBAO in Chinese 12 Apr 87 p 1

[Short Commentary: "Two Lessons To Be Learned"]

[Text] Major bribery case criminal Ou Chujie deserves the heavy punishment of the law. The fair and just sentence of the judicial departments in the case of Ou Chujie explicitly shows that the socialist legal system is improving, and however tricky the criminals, they cannot hide from the judgment of the law.

Once a public security cadre policeman, Ou Chujie became a criminal who was then sentenced to death. His process of transformation tells us: We must always be alert to all kinds of corrupting thoughts that corrode our cadre contingent, especially the law enforcement contingent. If we are not alert, fail to seriously grasp political and ideological work, fail to govern the police force with rigidity, and fail to govern the contingent with rigidity, all kinds of corrupt ideas will sneak in. "A thousand mile dam can be pulled down by an ant's nest." This simple truth is what we must remember.

The gradual degradation of Ou Chujie into the pit of crime also tells us: There are numerous loopholes in some of our departments, including those dealing with the outside. The loopholes open doors to criminals and lead people of weak character astray. Therefore, we must act to rectify the chaotic management of the organs and fill up all the loopholes without delay.

The example of the degradation of Ou Chujie is rare negative educational material. We should not let this example go by easily but make use of it to the fullest extent. By analyzing the lessons taught by the Ou Chujie case, we must teach the high-ranking cadres, especially legal executive cadres, to abide by the law, enhance the resistance to corrupt thoughts, perfect the rules and regulations, and fill up all kinds of loopholes. If we do this, the negative educational material can generate a positive result. The bad thing will become a good thing.

HENAN MEETING DISCUSSES EXTERNAL PROPAGANDA WORK

HK120457 Zhengzhou Henan Provincial Service in Mandarin 2200 GMT 11 Apr 87

[Excerpts] To uphold the four cardinal principles, keep the whole world in view while basing our efforts on Henan, take advantage of our strong points, and actively do a good job in the two aspects of propaganda work of introducing ourselves to the outside world and guiding outsiders to come in, centered on Henan's economic work and reforms and opening up, in order to serve the three great tasks and the building of the two civilizations in the province — this is the general guiding idea on future external propaganda work proposed at a provincial conference on external propaganda which concluded on 9 April. The 4-day meeting seriously studied and implemented the relevant central documents and the spirit of the national conference on external propaganda. [passage omitted]

The meeting held that although Henan has scored some success in external propaganda work in recent years, the work is rather weak for various reasons and is very far from suiting the situation of opening up to the world. The leading party and government departments at all levels must therefore gain a clearer idea on the nature and strategic position of external propaganda work, enhance understanding, strengthen leadership over this work, and help to resolve a number of practical problems.

The meeting held that in external propaganda, it is necessary to continue to do a good job in resolving the problem of linking this work with foreign affairs business and work, and eliminate the phenomenon of separating these two aspects. We should give full play to people's initiative and creativity and follow the principle of seeking truth from facts in publicizing the success of China and Henan in construction and reform, together with the central principles and policies. [passage omitted]

Vice Governor Zhao Zhengfu spoke at the meeting on 9 April. He reviewed the great strategic importance of external propaganda work in expanding Henan's international impact, strengthening ties with various countries, and speeding up the province's economic invigoration. He expressed the hope that every city and prefecture will, in close connection with its external business, do a good job of propaganda regarding its strong points [words indistinct]. [passage omitted]

Hou Zhiying, member of the Standing Committee of provincial party committee, director of the Propaganda Department, and head of the provincial party committee's external propaganda group, conveyed the spirit of the national conference on external propaganda. In a speech at the conclusion of the meeting, he stressed that attention must be paid this year to propaganda and reportage centering on the year's two major tasks.

He said: The struggle within the party to oppose bourgeois liberalization is now unfolding healthily and deeply. Foreign countries and people abroad are very concerned over this issue. Reactionary media in the West, Hong Kong, and Taiwan are conducting propaganda to distort the facts on this struggle. We cannot ignore this.

We must take a firm and clear-cut stand in upholding the four cardinal principles and effectively refute them. We should assign this struggle a certain position in our external propaganda in order to enable foreign countries to promptly and accurately learn the truth about this struggle and about the policies and [words indistinct]. We must ensure that foreign countries and people living abroad know that we are both upholding the four cardinal principles and persevering in reform and opening up; that opposing bourgeois liberalization is for the purpose of doing still better in reform and opening up; that China's political situation is one of stability and unity; and that China's economic construction is advancing at a sustained and steady pace.

Hou Zhiying pointed out: Only by acting in this fashion will we be able to open up to the world still more in the future.

HUBEI EXECUTES OFFICIAL FOR CORRUPTION, BRIBERY

HK151103 Wuhan Hubei Provincial Service in Mandarin 0900 GMT 14 Apr 87

[Text] (Li Chaolin), an offender convicted of extraordinarily serious corruption and bribery, was executed today in Shiyan City. Prior to his apprehension, the offender (Li Chaolin), was manager of the Marketing Department under Shiyan City's (Wuyan) motor car fittings plant and director of the (Maojian) District Office of Finance. During his tenure of office, he abused his powers to wantonly commit economic crimes under the signboard of reforming the personnel and financial systems. From 1983 to the first half of 1985, he illicitly gained a total of 67,550 yuan of public money and commodities converted into cash. In addition, (Li Chaolin) repeatedly took briber offered to him by business personnel from the motor car fittings departments in Fujian and Zhejiang, amounting to a total of over 25,200 yuan. The bribes included 20 color television sets, 4 refrigerators, 2 radio-cassette tape recorders, and a number of valuables such as gold rings, electric fans, wristwatches, and bicycles.

HUNAN STRESSES IMPORTANCE OF GRAIN PRODUCTION

HK150952 Changsha Hunan Provincial Service in Mandarin 0000 GMT 15 Apr 87

[Text] According to HUNAN RIBAO, this year Yueyang County cadres have promoted grain production with great zeal and the county peasants have shown great enthusiasm for growing grain, thus making preparations for plowing and sowing on their own initiative and preparing for natural disasters in a down-to-earth manner. As a result, the situation of spring plowing is gratifying. Everybody spoke in praise of this, saying: Our county has brought credit to grain production and achieved satisfactory results in this regard. If our county did not do this, a burst of feverish activity of growing ramie could have been stirred up to hamper grain production.

Over the past 2 years, just like other areas, this county had somewhat slackened its efforts to promote grain production. Those cadres who attach importance to and have the knack of grain production, were dubbed the grain party committee secretaries, the grain county governors, and the grain township governors for a period of time, and were also regarded as people with conservative ideas who do not have an expansionary spirit, the enthusiasm for promoting work, and a sense of commodity. In addition, those peasants who made determined efforts to till the land were regarded as stupid and clumsy people who are only good at plowing the fields with no chance of winning titles of honor or receiving prizes. Moreover, due to the fact that the economic results of grain production were not high and were far from matching the economic results of ramie production and other cash crop production, both the people in charge of grain production and the people engaged in growing grain were disheartened and depressed.

As a result, the phenomena of occupying grain fields for some uses other than growing grain and of grain fields lying waste emerged in a number of areas. These conditions attracted the attention of principal leading comrades from the county party committee and the county government. They noted that to ensure and stabilize grain production, we must restore credibility to grain production, otherwise the consequences will be too ghastly to contemplate. After the Spring Festival, they acted in accordance with the central authorities' Document No 5, and organized leaders of the county's five main units to study and discuss the document for the purpose of correcting the leaders' understanding of grain production and assigning grain production a proper position. After this, through a division of labor and responsibilities, they assisted cadres of the county's districts, townships, towns, and departments in studying and discussing the document. Next, they organized and sent over 1,000 cadres to all villages and groups to guide the studies and discussions of the document among the masses there, with the emphasis on clarifying the relation of grain production to other types of prodution, to the four modernizations, and to the promotion of stability and unity, thus being fairly successful in solving cognitive problems. In addition, the cadres enabled the masses to truly understand the truth that grain shortages inevitably lead up to instability and chaos, and also enabled them to deeply sense that the promotion of grain production is an important and honorable task, that it is imperative to bring credit to grain production, that it is absolutely forbidden to show indifference toward grain production, and that it is necessary to regard grain production as the basis of all bases and to give first place to grain production. To bring credit to grain production, they have adopted the following measures: First, to readjust the forces of leadership; second, to increase the number of peasants turned technicians; and third, to restore the effective traditional work methods.

BRIEFS

GUANGDONG GOLD MINE -- A medium-sized gold mine, with a mineralized zone 2,000 meters long, ranging from Yingde County's (Jiulong) District to Qingyuan County's (Xinzhou) Town, has been ascertained by Guangdong provincial geological and prospecting team No 706. The gold mine has also been ascertained to have an extension 300 meters long, together with an average thickness of 1 meter. Preparations for exploiting this gold mine are being intensified. [Summary] [Guangzhou Guangdong Provincial Service in Mandarin 0300 GMT 14 Apr 87 HK]

GEZHOUBA POWER STATION -- Wuhan, April 13 (XINHUA) -- The Gezhouba hydropower station on the Yangtze River, China's longest, today put a 125,000-kw power generating unit into operation 80 days ahead of schedule. The station, the largest of its kind in China, has a total generating capacity of 1.175 million kw, and has so far produced more than 34 billion kwh of electricity. [Text] [Beijing XINHUA in English 1436 GMT 13 Apr 87 OW]

BEIJING COURT PRESIDENT'S WORK REPORT

SK150200 Beijing BEIJING RIBAO in Chinese 22 Mar 87 p 2

["Excerpts" of report on work of the Beijing Municipal Higher People's Court given by Liu Yunfeng, president of the Beijing Municipal Higher People's Court, at the Sixth Session of the Sighth Beijing Municipal People's Congress on 10 March]

[Excerpts] Fellow deputies:

In 1986, in line with the Constitution, the law, and the resolution of the Fifth Session of the Eighth Municipal People's Congress on the work reports of the court and the procuratorate, the People's Court at all levels throughout the municipality completed a total of 42,865 criminal cases, civil and economic disputes, and cases on commuting the sentence or releasing on parole through the first instance, the second instance and the third, accounting for 97.4 percent of the total number of cases received during the year. Thus, we fulfilled our tasks in a better manner. Now I would like to give a report on the major work done by the people's courts at all levels throughout the municipality in 1986 and on the tentative plan for 1987.

In 1986, we mainly carried out the following given tasks:

1. We dealt strict blows to the sabotage activities of serious criminals, protected the safety of the citizens' lives and their property, safeguarded the capital's social order, and ensured the smooth progress of building the socialist material and spiritual civilizations. [passage omitted]

In order to maintain the deterrent momentum of "dealing strict blows," and to deal effective blows to criminals who seriously disrupted social security, we held public trials to sentence the criminals. During the year we held three large-scale public trials in the municipality, during which the municipal Intermediate People's Court announced the court decisions for 56 criminals who were guilty of the most heinous crimes. The various district and county People's Courts also held 269 meetings of varied scales to announce the sentences on some criminals, and more than 267,000 people attended the meetings. To cope with the judicial work, we printed and distributed more than 300,000 copies of propaganda materials, and some 230,000 copies of notices, and reported the trials through the press, radio and television stations, and broadcasting stations in the remote suburban districts and counties. [passage omitted]

Over the past year, the People's Courts at all levels throughout the municipality have resolutely implemented the decision of the NPC Standing Committee on giving strict punishment to those who seriously disrupt the economy, and the decision of the CPC Central Committee and the State Council on dealing blows to serious criminal activities in the economic sphere. They completed a total of 1,906 criminal cases in the economic sphere and sentenced 2,290 persons who were involved in 1,320 cases, and whose sentences had already come into force. Among them, 1,515 persons were guilty of stealing public funds and property, 335 persons were guilty of corruption, 151 persons were guilty of bribery, 86 persons were guilty of profiteering, and 150 persons were guilty of swindling public funds and property. The total amount of illegal money of these criminals reached 16,292,700 yuan; they brought direct economic losses of some 30 million yuan to the state and the collectives. [paragraph continues]

As for the above criminals, we passed death sentences, death sentences with a temporary suspension of the execution of the sentence, life imprisonments and fixed-term imprisonments of 5 years or above to 735 persons, accounting for 32.1 percent of the total number of economic offenders. [passage omitted]

2. We correctly handled civil disputes, protected the legal rights and interests of citizens, and promoted social stability and unity.

Along with the perfection of the legal system and the popularisation of the propaganda on the legal system, more and more citizens want to protect their legal rights and interests in line with the law. Last year, the municipality as a whole received 20,701 civil cases of the first instance, an increase of 20.6 percent over 1985. Apart from an increase in divorce cases, most of the cases were property disputes. The number of debt cases rose by 253.7 percent, and that of the cases on providing for someone rose by 33.1 percent. During the year, we completed 20,593 civil cases through the first instance, an increase of 20 percent over 1985. The number of civil disputes would continue to grow and our tasks to try civil disputes would be more arduous.

During the trials of civil cases, we strictly enforced the Law on Civil Procedures, implemented the principle of relying on the masses, handling cases on the spot, and stressing medication, did much patient and meticulous work, tried the cases according to the facts and evidence and in line with the law stipulations, and succeeded in correctly settling some disputes in a timely manner. Among the civil cases, 44.5 percent were divorce cases. [passage omitted]

3. We correctly handled economic disputes in a timely manner and in accordance with the law, and punished law-breaking acts so as to safeguard the legal rights and interests of citizens and legal persons and ensure the normal progress of economic activities.

Along with the further implementation of the economic structural reform and the policy on opening to the outside world and invigorating the economy, we achieved very big progress in trying economic cases. In 1986, new situations emerged in economic disputes. First of all, the number of economic cases increased rapidly. During the year we received 3,550 economic disputes of the first instance, an increase of 31.5 percent over 1985. Of this, 3,002 cases were economic contract disputes, accounting for 84.6 percent of the total number of cases received. The amount of money involved in the economic cases became greater and some cases involved several million yuan or more than 10 million yuan. Second, owing to the fact the there was a "company" trend during the second half of 1985 and the first half of 1986, some "companies" and "trade centers" which did not have the ability to fulfill contracts signed many contracts through deceitful means. Their failure in fulfilling the contracts constituted one of the important reasons for the increase in the number of economic cases. [passage omitted]

During the year we completed 3,300 economic disputes, an increase of 59.6 percent over 1985. The proper handling of many economic disputes made it possible to safeguard not only the legal rights and interest of the state, the collectives and the individuals, to maintain economic order, to readjust the relations in the various economic sectors, and to make more than 300 million yuan worth of property yield beneficial results in a timely manner, but also make some units intensify the sense of the legal system, improve operations and management, and promote economic development.

4. We reinvestigated some cases involving united front work, and some political cases which were tried before the "Great Cultural Revolution," corrected some wrong cases in line with the law, and further implemented the party's policies.

The People's Courts at all levels throughout the municipality actively implemented the guidelines of the forum on reinvestigating cases concerning the united front, which was sponsored by the Supreme People's Court: By the end of last May, we handled 1,046 cases of defected personnel, 26 Taiwan compatriots and family members of Taiwan compatriots, 13 Overseas Chinese and their family members, 23 high-ranking intellectuals, 5 members of the democratic parties, and 5 persons from the religious circles in line with policy, and basically fulfilled the task of reinvestigating cases concerning the united front. [passage omitted]

5. We publicised the legal system along with trials, offered suggestions for judicial work, and actively took comprehensive steps to improve social security.

The People's Courts at all levels throughout the municipality were urged not only to handle cases well but also to conduct propaganda on the legal system in line with the current situation, reality, and the trials, to offer suggestions for judicial work, and to play an active role in trials. [passage omitted]

Over the past year the People's Courts at all levels have done much and played an active role in dealing blows to the enemy, punishing criminals, correctly handling rivil and economic disputes, protecting the legal rights and interests of the state, collectives, and individuals, as well as the citizens, safeguarding social order, stability and unity, and guaranteeing the smooth progress of building the socialist material and spiritual civilizations in the capital. However, some shortcomings and defects still exist in our work. The political and professional qualities of the cadre and police ranks cannot meet the demands of the new situation. We have failed to conduct sufficient investigations and study of the new problems and situations in the course of trials. We should adopt measures to gradually overcome these shortcomings and solve these problems. [passage omitted]

During this year, the People's Courts at all levels throughout the municipality should mainly fulfill the following tasks:

- They should continue the struggle against criminals and strictly punish them in line with the law those criminals who disrupt social order, reform, the work of opening to the outside world, and the building of socialist material and spiritual civilizations. [passage omitted]
- They should do a good job in trying civil and economic disputes with a focus on implementing the general principles of the civil code. [passage omitted]
- They should establish organs to gradually conduct trials on administrative cases.
 [passage omitted]
- 4. They should do a better job in building the people's tribunals, and strengthen spadework at the grass-roots levels. The people's tribunals are the forward positions for handling the work of the People's Courts. They must undertake the tasks of handling minor criminal cases, simple economic disputes, and most of the civil cases, as well as people's visits and letters. In addition, they have to provide guidance for the people's mediation committees. [passage omitted]
- 5. Along with the trials, they should take comprehensive steps to improve social security. [passage omitted]

The year 1987 is a very important year. During this year, we should stress the work of dealing blows to serious economic crimes and criminal offenses. [paragraph continues]

We should manage things strictly in accordance with the law, strive to comprehensively do the judicial work and other fields of work well, and make new and greater contributions to protecting the people, dealing blows to the enemy, punishing criminals, and serving the four modernizations.

'GOOD EXPORT SITUATION' REPORTED IN FIRST QUARTER

OW141348 Beijing XINHUA in English 1335 GMT 14 Apr 87

[Text] Tianjin, April 14 (XINHUA) -- The export volume in north China's coastal city Tianjin reached 355.68 million U.S. dollars during the first quarter this year, up 53.3 percent from the same period of last year.

According to figures released today by the city's export administration, 13 of the city's 14 import and export companies have overfilfulled thir export quotas planned for the first quarter.

Many garment, machinery and light industry companies have doubled their export volumes. The business volume negotiated with foreign firms in the first quarter reached 465.15 million U.S. dollars, up 27.3 percent from the same period of last year.

The purchasing volume of export goods reached 811.65 million yuan, up 52.8 percent from the same period of last year.

A spokesman for the city's export adminstration said that the good export situation was due to the city's policy of encouraging export, and the adequate supply of export goods.

BRIEFS

SHANXI INDUSTRIAL OUTPUT -- Shanxi's industrial output value during the first quarter amounted to 5.107 billion yuan, a rise of 14.6 percent compared with the same period last year. This represented 23.2 percent of the plan for the whole year. [Summary] [Triyuan Shanxi Provincial Service in Mandarin 2200 GMT 13 Apr 87 HK]

HEILONGJIANG REPORT ON PEOPLE'S CONGRESS WORK

SK130850 Harbin HEILONGJIANG RIBAO in Chinese 19 Mar 87 p 2

[Report on the work of the Heilongjiang Provincial People's Congress Standing Committee, delivered by Chen Yuanzhi, vice chairman of the provincial People's Congress Standing Committee, at the Fifth Session of the Sixth Provincial People's Congress on 13 March]

[Excerpts] Fellow deputies:

Entrusted by the provincial People's Congress Standing Committee, I now submit a report to the present session on the work of the Standing Committee since the fearth session of the sixth provincial People's Congress.

Since the fourth session of the sixth provincial People's Congress, in line with the strategic ideology of "simultaneously grasping the two civilizations" and the ideology of "grasping construction with one hand and grasping the legal system with the other hand," the Standing Committee has conscientiously implemented the various resolutions adopted by the provincial People's Congress in close combination with the central task of the provincial party committee; has held the fourth Standing Committee meeting to formulate 6 local regulations; has listened to and examined the work report of the provincial people's government, the work report of the provincial Higher People's Court, and 11 other work reports; has adopted 10 resolutions and decisions; has appointed and removed 121 state functionaries; and has made new progress in developing socialist democracy, in perfecting the socialist legal system, and in promoting the building of the province's socialist undertakings and various reform projects.

1. The Standing Committee has examined and promoted propagation and education on the legal system and has guarded the sanctity of the Constitution and the law.

Since the fourth session of the sixth provincial People's Congress, the Standing Committee has attached importance to promoting propagation and education on the legal system. After the promulgation of the NPC's "Decision on Strengthening the Education on the Legal System an Safeguarding Stability and Unity," the Standing Committee held its 26th meeting to study this decision. At this meeting, participants unanimously expressed their support for this decision and discussed measures for implementing it in line with the province's practical situation. [passage omitted]

Last year was the first year to implement the resolution adopted by the NPC Standing Committee and the provincial People's Congress Standing Committee concerning strengthening propagation and education on the legal system, and basically popularizing legal knowledge within 5 years. On the basis of establishing organizations, working out plans, training the backbone force, and making experiments for the popularization of legal knowledge, the province organized wast number of cadres, leading cadres at or above the county and regiment levels in particular, to study the "nine regulations and one stipulation" and basic legal knowledge; conducted a study of legal knowledge among some workers and staff members; and began to conduct the education on legal knowledge among universities, middle schools, and primary schools. [passage omitted] However, the popularization of legal knowledge has not yet developed in a penetrating and balanced manner. The image omitted]

2. The Standi committee has formulated local regulations to ensure the smooth progress of reform and construction.

Since the fourth session of the stath provincial People's Congress, the Standing committee has paid attention to legislation not only on the material civilization, but also on the spiritual civilization. It has formulated one after another regulations concerning the private industrial and commercial household business, regulations concerning management of the press, regulations concerning labor safety, regulations concerning punishment of gamblers, regulations on protecting and managing wild medicinal herbs, and regulations on management of road transportation. [passage omitted]

3. The Standing Committee has conducted examination and supervision over the government work, centering on the work of carrying out reform, opening to the outside world, and invigorating the domestic economy.

Since the fourth session of the sixth provincial People's Congress, in line with the principle of consolidating, assimilating, replenishing, and improving the reform measures we have already adopted, the Standing Committee has paid attention to hearing the reports on various structural reforms. To deepen the reform of the leadership structure of enterprises and to comprehensively institute the plant director (manager) responsibility system, the Standing Committee held its 23d meeting to hear the report made by the provincial commission for economic structural reform concerning the implementation of the plant director (manager) responsibility system in our province. The members of the Standing Committee affirmed the achievements scored in the experiments for the plant director (manager) responsibility system, and that some problems crying for immediate solution still exist. [passage omitted]

To implement the principles of carrying out economic reform and technological transformation and opening to the outside world and to places other than our province, and making the country and the people prosperous; to promote the opening to the outside world; to utilize advanced foreign and domestic technologies; to make good use of foreign and domestic funds and natural resources; and to open up more international and domestic markets, the 23d Standing Committee meeting heeded the report of the provincial government delegation on its visit to Japan. At this meeting, the members praised the friendly relations and economic and technological cooperation between the province and various pertinent prefectures in Japan. The 24th Standing Committee meeting listened to the report of the provincial people's government on the Heilongjiang invitation fair on domestic lateral economic integrations and expressed satisfaction with the signing of economic and technological agreements, the establishment of the long-term cooperative relationships with some provinces and municipalities, and the accumulation of some experiences and achievements in organizing lateral economic integrations. The 24th meeting also called for efforts to further extensively conduct various economic and technological exchanges and cooperation; develop lateral economic associations; positively import talents, technologies, and funds; and fully exploit the province's favorable conditions in order to invigorate the province's economy.

The year 1986 was the first year covered by the Seventh 5-year Plan. Comprehensively fulfilling and overfulfilling the tasks for 1986 is of vital importance. To supervise the governments, to firmly grasp the work of the fourth quarter of 1986 and comprehensively fulfill the 1986 plans, the 24th Standing Committee meeting listened to the report of the provincial Planning and Economic Commission on the implementation of the economic andd social development plan from January to August 1986, listened to the report of the provincial Financial Department on the implementation of the budget, and adopted the "Resolution on the Report Concerning the Implementation of the Economic and Social Development Plan from January to August 1986" and the "Resolution on Striving to Fulfill the 1986 Budget." [passage omitted]

4. The Standing Committee has conscientiously handled deputies' motions, has improved the inspection methods of deputies, and has given full play to the role of deputies.

At the fourth session of the sixth provincial People's Congress, the various deputy groups and deputies put forth a total of 11 motions, of which, 2 will be handled by the provincial People's Congress Standing Committee and 7 will be regarded as suggestions and submitted to pertinent departments of the provincial government for handling. As for the two motions concerning "formulating regulations for civil lending" and "establishing the Lalin Man Nationality Autonomous County," which will be handled by the provincial government, some initial opinions for handling them have been set forth after conducting investigations and studies. The "regulations for civil lending" will be formulated in two steps: First, the government decides the market guiding interest rate for the civil lending; and second, special regulations on civil lending will be formulated after experiences gained from the certain period of practice of the guiding interest rate decided by the government are summed up. As for the motion of "establishing the Lalin Man Nationality Autonomous County," it is suggested the Lalin Prefecture may establish the Lalin Man Nationality Autonomous County when conditions are ripe. [passage omitted]

The Standing Committee also paid attention to handling the visits and letters from the masses. [passage omitted]

5. The Standing Committee has vigorously prepared for the end-of-term election, and thus ensured the smooth progress of the election work.

The term of office will end at the end of this year and at the beginning of the next year respectively for the deputies of the present People's Congresses of various townships (towns), counties (cities), and cities with districts and for the province's deputies to the sixth NPC. In line with the pertinent decisions of the NPC Standing Committee and in light of the province's actual situation, the 25th Standing Committee meeting adopted the "Decision on the Time for the Election of the Deputies to the Next People's Congresses of Various Townships (towns), Counties (cities), and Cities with Districts." It has been decided that the election of deputies of people's congresses at the county and township levels should be completed by the end of 1987 at the latest; the first meetings of the new terms of people's congresses at the county and township levels should be held by February 1988 at the latest; and the first meetings of the new terms of people's congresses of the cities with districts should be held by 15 March 1988 at the latest. [passage omitted]

6. The Standing Committee has strengthened activities on foreign affairs, thus establishing close ties with various fields.

Since the fourth session of the sixth provincial People's Congress, the Standing Committee has received the delegation of the Turkish-Chinese Friendship Group of the Turkish Grand National Assembly and the delegation of Hokkaido in Japan. Last November, the Standing Committee sent an observation team to Japan's Niigata Prefecture for observing the work of its representative assembly. In February this year, Li Jianbai, chairman of the provincial People's Congress Standing Committee, headed a delegation to pay a friendly visit to Japan's Hokkaido Prefecture. The above-mentioned activities has deepened our understanding of foreign representative assemblies and promoted friendly relations and economic and technological exchanges and cooperation between our province and foreign countries. [passage omitted]

In establishing ties with the provincial government, the provincial People's Court, and the provincial People's Procuratorate, the Standing Committee has adhered to the joint conference system. In the second half of last year, the fourth joint conference was held to emphatically discuss ways to strengthen the supervision over the execution of laws and to map out plans for legislation during the Seventh 5-Year Plan. [passage omitted]

7. The Standing Committee has stepped up ideological and organizational construction and has raised its expertise in discussing political affairs.

Since the fourth session of the sixth provincial People's Congress, in order to enable the members to understand the overall situation and to expeditiously relay the guidelines of the regular meetings of the NPC Standing Committee, the Standing Committee of the provincial People's Congress has organized its members to study the important circular of the central authorities on mobilizing the entire party to resolutely safeguard the socialist legal system. After the issuance of the resolution of the CPC Central Committee on the guiding principle for building spiritual civilization, the chairman and vice chairmen of the provincial People's Congress Standing Committee as well as the members in Harbin have met together on many occasions to discuss and study this resolution. This resolution was studied by all members at the 25th Standing Committee meeting. [passage omitted]

Fellow deputies, since the fourth session of the sixth provincial People's Congress, the Standing Committee has effected improvement in the work of various fields. However, there is still a long way to go and there are still many problems compared with the functions and powers entrusted in it by the Constitution and the local organic laws and with the demands of the masses. Major indicators are: Attention has not been paid to the examination and legislation of the major events in building spiritual civilization; the supervision over the implementation of the Constitution, the law, and various regulations and over the work of the judicial and procuratorial organs is still a weak link; the supervision over those law violations with which the masses are most dissatisfied is not enough; and the organizational organs of the Standing Committee are still unsuitable for the demands of work. All these problems should be studied and solved in the future. The major points of the work for this year have been discussed and adopted by the Standing Committee. The general-guiding ideology is: In accordance with the guidelines of the enlarged meeting of the Political Bureau of the CPC Central Committee and with the decision of the NPC Standing Committee on strengthening the legal education and safeguarding stability and unity, we should adhere to the four cardinal principles, oppose bourgeois liberalism, conscientiously perform functions and powers according to the law, give play to the role of the local state power organs focusing on the central task of the party, promote the building of socialist democracy and the legal system, promote the deepening of various structural reforms, promote the campaign of increasing production and practicing economy and increasing revenues and expenditures, comprehensively raise efficiency, and make contributions to safeguarding stability and unity and creating a new situation in building the two civilizations. In accordance with this guiding ideology, we should profoundly study and implement the decision of the NPC Standing Committee "on strengthening the legal education and safeguarding stability and unity" and the resolution of the present session on implementing this decision. We must study and implement the central authorities' resolution on the guiding principle for building spiritual civilization and the province's emphases for building spiritual civilization during the Seventh 5-Year Plan in order to push forward the building of socialist democracy and legal system and the building of spiritual civilization. [passage omitted] We should closely depend on the leadership of the provincial party committee to accept the supervision of the People's Congress and the people; further strengthen the building of ideology, organization, and work style; and work hard at further developing socialist democracy, perfecting the socialist legal system, consolidating the people's democratic dictatorship, and promoting the province's modernization drive and various reforms.

I submit this report to the present session for examination.

HEILONGJIANG CHIEF PROCURATOR'S WORK REPORT

SK130809 Marbin HEILONGJIANG RIBAO in Chinese 20 Mar 87 p 2

["Excerpts" of work report of the procuratorate given by Jia Chengwen, chief procurator of the Beilongjiang Provincial People's Procuratorate, at the fifth session of the sixth provincial People's Congress on 13 March]

[Excerpts] Fellow deputies:

Now I would like to give a report on the progress of the province's procuratorial work since the fourth session of the sixth provincial People's Congress, particularly in 1986, to the present session for examination and discussions.

I.

In 1986, the procuratorial organs at all levels through the province regarded the strategic ideology of the party Central Committee on "grasping construction on one hand and grasping the legal system on the other" as their guideline; conscientiously implemented the spirit of the fourth session of the sixth provincial People's Congress; and under the leadership of the party Central Committee, the provincial party committee, and the Supreme People's Procuratorate and under the supervision of the People's Congress standing committees at all levels, grasped the work of dealing blows to economic crimes as their major tasks while continuously persisting in dealing blows to criminal offences. They further strengthened law and discipline inspection and procuratorial work in various fields; better undertook all responsibilities entrusted by the law to the procuratorial organs; worked hard to maintain stability and unity and to promote further improvements in the province's social security; and scored comparatively good achievements in safeguarding reform, opening to the outside world, and invigorating the economy and in ensuring smooth progress in the four modernizations drive.

1. We persisted in launching a struggle against serious economic crimes so as to safeguard and promote economic development.

We considered retaliation against economic criminal activities as one of our major tasks and actively conducted procuratorial work in the economic sphere. During the year, the number of cases received and filed for investigation rose by 43.7 percent and 64.4 percent respectively over the previous year. We investigated and handled 832 major and appalling cases, which is equivalent to the total number of cases handled since 1982. A total of 27.9 million yuan in economic losses was record, an increase of 130 percent over 1985. Most of these criminal cases in the economic sphere occurred in the second half of 1984 and in the first half of 1985. [passage omitted]

The major and appalling economic cases brought great harm to and exerted a great influence on the people. While handling cases, the procuratorates at all levels always directed their attention to investigating and handling major and appalling cases. Leaders took the lead in grasping the work and contracted the work to all levels. By the end of 1986, the rate of completing cases reached 91.3 percent.

While handling economic cases, the procuratorates at all levels paid attention to deepening the results from retaliation and serving reform on their own initiative. On the one hand, they actively handled cases which greatly affected reform. During the year, they investigated and handled 197 swindling cases and 137 speculation cases which were assigned to them by the higher levels or were discovered by themselves, an increase of 2.1 times and 1.9 times respectively over the figures of the previous year. On the other hand, they actively improved the public security through dealing blows to economic crimes, and strove to promote improvements in party style and social habits and in production and economic development and to strengthen the building of the legal system so as to achieve the best social benefits. [passage omitted]

We continued to effectively struggle against serious criminal offenses and promoted constant and steady improvements in social security.

While grasping the major tasks of dealing blows to economic crimes, the procuratorial organs at all levels adhered to the principle of not relaxing efforts to deal blows to serious criminal activities and continued to implement the principle of "dealing prompt and heavy blows to criminals" in line with the law. We maintained close cooperation with the public security departments and courts and better fulfilled the criminal procuratorial tasks entrusted in us by law. During the past year, the rate of accurate arrests reached 99.64 percent and the rate of accurately filing lawsuits reached 99.89 percent, all showing an increase over the previous year. The rate of completing the handling of lawsuits reached 99.56 percent. [passage omitted]

In the struggle against criminals, we further displayed the functional role of supervising the investigation and judicial work. Through actively giving supervision over the work, we successed in preventing the wrong arrests of 1,242 persons, arrested an additional 159 criminals, lodged lawsuits against an additional 218 persons, gave oral or written statements to correct 300 cases on law violations during investigations, and filed 72 lawsuits to protest against court judgments. The rate of changing the original sentence accounted for 81.2 percent of the number of cases completed. This enabled us to better guarantee the correct implementation of the law. The procuratorates at all levels also conscientiously grasped the work of encouraging people to attend court hearings to support public trials. [passage omitted]

 We strengthened law and discipline inspection work and protected the personal rights and democratic rights of citizens.

In March last year, the 20th Standing Committee meeting of the 6th provincial People's Congress adopted a "Resolution on Strengthening the Law and Discipline Inspection Work," which greatly supported and promoted the province's procuratorial work. The various procuratorates in cities and counties (district) also submitted reports on law and discipline inspection to the people's congresses of their corresponding levels and succeeded in greatly intensifying the law and discipline inspection work throughout the province. The procuratorial organs at all levels actively conducted law and discipline inspection work along with reform, party rectification, and the work of dealing blows to economic crime and criminal offenses and scored fairly good achievements in this regard. During the past year, we investigated and handled 1,491 cases on law and discipline violations, including illegal arrests, extortion of confession by torture, dereliction of duty, and cases on pursuing one's major responsibility, an increase of 1,063 cases or 40.3 percent over the previous year. We filed 1,206 cases for investigation, an increase of 332 cases or 2.7 times over the previous year. In addition, we also coordinated with the relevant departments to properly handle 852 cases on law and discipline violations whose criminal liabilities and not been pursued. [passage omitted]

4. We actively inspected jails and reformatories and handled charges and appeals, and better coordinated with the struggle against economic crimes and criminal offenses.

In 1986 we further strengthened inspection in jails and reformatories, maintained close coordination with them, discovered 2,904 cases through inspecting the implementation of laws and the safety facilities, and handled 2,635 cases. We also handled 343 criminal cases involving those criminals who had been sentenced to be transformed through labor or education, cooperated with jails and reformatories to conduct education on policies and laws among criminals and encouraged them to expose other cases, and thus we succeeded in exposing 4,659 criminal cases, cracking 1,102 cases and handling 35 cases involving 41 cadres of jails and reformatories who committed economic crimes and violated laws and discipline. [passage omitted]

5. We strengthened the building of procuratorial ranks and continuously improved their political and professional qualities.

While building contingents, we explored law and ways to strengthen ideological and political work among the procuratorial organs under the new situation, further intensified their ideological and political work, and succeeded in improving the mental outlook of the cadres and policemen. During the past year, more than 1,100 persons in the procuratorates at all levels named advanced workers, and nearly 200 departments (sections) or procuratorates named advanced collectives. [passage omitted]

 We consciously received supervision from the People's Congress standing committees at all levels and better displayed the functions of the procuratorial organs.

The procuratorates at all levels consciously placed their procuratorial work under the supervision of the People's Congress standing committees of their corresponding levels, and in addition to giving work reports at regular intervals, gave reports on special work or important issues, so as to enable the People's Congress standing committee at all1 levels to supervise their work in a better manner. Most of the city and county (district) procuratorates throughout the province submitted work reports on dealing blows to economic crimes and on law and discipline violations to the People Congress standing committees of their corresponding levels in a timely manner. The People's Congress standing committees in many localities issued relevant resolutions which gave great impetus to the struggle against economic crimes and to the investigation and handling of cases on law and discipline violations. We actively handled all cases entrusted to us by the People's Congress Standing Committee and gave reports in a timely manner. We also conscientiously examined the supervisory opinions concerning our law enforcement raised by the People's Congress Standing Committee and deputies and reported the results in a timely manner. Thus, we succeeded in raising our level of enforcing the law. [passage omitted]

II.

In 1987, the general guidelines and demands of the province's procuratorial work are listed as follows: We should regard as our guidelines the "Resolution of the CPC Central Committee on the Guiding Principles for Building a Socialist Spiritual Civilization," uphold the four cardinal principles, oppose bourgeois liberalism, deeply implement the spirit of the work conference of the provincial party committee, continue to consider the work of dealing blows to economic crimes as one our major tasks while never relaxing our efforts to fight against criminal offenses. [paragraph continues]

We must give top priority to inspecting the implementation of law and discipline, persist in reform, give consideration to the overall situation, further strengthen all procuratorial work, consolidate and develop the stable and united political situation, and make new contributions to building the two civilizations. [passage omitted]

Fellow deputies, after this congress, we should act in accordance with the directives of the central authorities and the provincial party committee as well as the resolution adopted at the congress, work hard, never disappoint the trust given by the party and the people, create better achievements in the course of greeting the new and developing the stable and united political situation and the building of the two civilizations.

JILING DISCIPLINE COMMISSION ISSUES CIRCULAR

SK150102 Changchun Jilin Provincial Service in Mandarin 0930 GMT 13 Apr 87

[Text] On 13 April the provincial Discipline Inspection Commission issued a circular urging party committees and discipline inspection comissions at all levels to earnestly study and implement the spirit of the circular recently issued by the Central Discipline Inspection Commission and to resolutely block the malpractices of hosting banquets, presenting gifts, and accepting bribes.

The circular urges the discipline inspection commissions at all levels, with the cooperation of the auditing and financial departments, to earnestly investigate cases that have occurred since 1986 with regard to violating discipline, such as spending public funds arbitrarily, hosting banquets, presenting gifts, and accepting bribes. They should refrain from giving pardons by just stating this once. Personnel who have violated discipline should be forced to compensate the state and collectives for economic losses caused by them and should have disciplinary sanctions imposed against them.

The circular points out: In investigating or dealing with these cases, efforts should be made to strictly distinguish the bounds among various policies. It is permissible to host necessary banquets and to present small gifts and product samples in legitimate economic, business, and foreign affairs contacts. Such presentations cannot be regarded as violating discipline.

The circular urges cadres in party and government organs at all levels henceforth to strictly examine official trips and to persuade personnel who will be on official trips to refrain from hosting banquets and presenting gifts with public funds, and from accepting presents. Those who have violated discipline should have disciplinary sanctions imposed in line with the degree of the seriousness. In convening various meetings, it is imperative to host the participants in line with the fixed dining standards and to refrain from surpassing them, and to refrain from integrating dining expenses with other expenditures and apportioning the expenses on the grass-roots-level units. Those who have violated discipline should be strictly dealt with.

In providing food and receptions for economic, business, and foreign affairs contacts, efforts should be made to uphold the principle of thrift and to refrain from upgrading reception standards arbitrarily. The financial and accounting departments should strictly obsderve the financial and economic systems and boldly uphold principles. The departments concerned should protect the financial and accounting personnel in waging struggles against malpractices.

COMMENTATOR URGES TAIWAN TO PROMOTE REUNIFICATION

OW140623 Beijing in Mandarin to Taiwan 0400 GMT 12 Apr 87

[Station commentator on current events: "Seek Common Ground While Reserving Differences on Major Issues, and Relax Control Over the Exchange of Mail, Trade, Air, and Shipping Services for the Promotion of Reunification"]

[Text] The fifth sessions of the Sixth NPC and the Sixth CPPCC National Committee, which were convened in Beijing over the past 2 weeks or so, have successfully ended. At the same time, the Taiwan authorities have been holding general interpellations in the Legislative Yuan. The meetings on both sides of the Taiwan Strait discussed a topic of common interest, that is, the question of China's reunification.

In his Government Work Report to the NPC session, Premier Zhao Ziyang reiterated the proposal to unify China according to the formula of one country, two systems. During the Taiwan authorities' Legislative Yuan interpellations, President of the Executive Yuan Yu Guohua and some Kuomintang legislators also discussed the reunification issue. They pointed out that since the mainland and Taiwan are of the same race and speak the same language, reunification will benefit while separation will undermine the interests of both sides. They said that judging from historical and cultural developments, China will ultimately be reunited.

All this shows that people on both sides of the strait -- that is, the Kuomintang, the CPC, all democratic parties, and the broad masses of people -- unanimously agree on the major issue of China's reunification. However, Yu Guohua at the same time harped on an anticommunist line, alleging that communism is incompatible with the theory and views of the Three People's Principles, and that the CPC should abandon communism.

Dear listeners: The reality of two different social systems on both sides of the strait is an inevitable result of the development of history and a choice made by the people. On the basis of recognizing Taiwan's existing system and the people's lifestyle, the government on the mainland has put forward a series of policies based on the concept of one country, two systems for peaceful reunification. These politices have fully considered and guaranteed the lawful interests and rights of compatriots of various strata in Taiwan. By one-sidedly emphasizing major differences between the two social systems and even demanding that the mainland abandon its CPC-led socialist system, Yu Guohua has, in fact, forsaken the common ground of one China and obstructed its reunification.

We maintain that the major issue is safeguarding the common ground of one China while reserving differences on the two systems. This is the best way to achieve the motherland's peaceful reunification and revitalize the Chinese nation. We hope that the Taiwan authorities will forge narrow-minded political bias and put the vital interests of the entire nation and all compatriots throughout the country above all else. First of all, they should forsake the outdated policy of refusing to establish postal, transport, and trade relations and open up channels for communications and exchanges between the compatriots on both sides of the strait. In this way, the Kuomintang, the CPC, and people of various circles, on the basis of promoting mutual understanding, can discuss national affairs and work out practical measures for peaceful reunification, thereby accelerating the realization of a united, prosperous, and strong China.

COMMENTARY ON DANGERS OF USSR-PRC RAPPROCHEMENT

OW140532 Taipei International Service in English 0200 GMT 14 Apr 87

[Station commentary: "Rapprochement Between the Communist Giants"]

[Text] The communist giants, the Soviet Union and Mainland China, are getting cosy again. To some, that does not sound so awful; but to many Western strategists, it is an ominous trend toward making the communist bloc cohesive again.

Last week, Moscow and Peking began holding a 10th round of talks aimed at normalizing political relations between them. For almost 30 years now the two communist military powers have been split over ideology and border problems. The original cause of the rift came about when Mao Tze-tung became tired of the Soviets acting like they had a monopoly on the communist system, and thus superiority over Communist China. Mao booted the Russians out of Mainland China in 1962, and things got increasingly antagonistic between them afterward. In 1969, the two sides even fought a border war along the Amur and Ussuri Rivers. During the Vietnam war they both aided Vietnam against the U.S., but with opposing interests. Moscow got the upper hand in relations with Hanoi and since then Vietnam and its invasion of Cambodia has been a source of tension between Moscow and Peking.

In the past few years Peking has said it will not discuss a return to good relations with Moscow unless the Russians agree to three conditions, namely, that they will end their invasion and occupation of Afghanistan, push Vietnam to get out of Cambodia, and decrease substantially the number of Soviet troops stationed on the Sino-Soviet border. Moscow has shied away from discussing these issues with Peking, that is, until this current round of talks. For the first time Moscow says it will discuss these issues, but cautions that it cannot necessarily force third countries to change their ways.

Moscow has indicated in recent months that it will begin making pullouts from Afghanistan and Mongolia, where as many as 70,000 Soviet troops are stationed. Peking, however, says it is not overly impressed with the effort so far. It wants more action on Moscow's part.

Meanwhile, Western analysts are busy contemplating what all the new activity in Moscow-Peking relations means and what it might lead to. Some worry that a mending of the three-decade old rift between Moscow and Peking could spell danger for Western strategic interests, especially in the Far East. They argue that the closer Peking gets to Moscow, the further it gets from the West, both politically and economically. They continue to caution that when things get tough, Peking will naturally feel inclined to get chummy with its communist brethren to the north.

Others, however, see no danger in Moscow-Peking rapprochement. They argue that good relations between these two powers is good for world peace.

The U.S. apparently does not think so. Secretary of State George Shultz made a hastily prepared trip to Peking last month, some say because he wanted to stroke the Chinese Communists before they entered their talks with Moscow. Is the U.S. worried that the communist bloc is becoming unified again? It should be. It has been a delusion anyway to believe the communist birds of a feather do not flock together.

COMMENTARY VIEWS ACTIONS AT PRC'S NPC SESSION

OW140539 Taipei Domestic Service in Mandarin 2300 GMT 13 Apr 87

[Commentary: "The Future After the Closing of Communist China's NPC Session"]

[Excerpts] The Fifth Session of the Sixth NPC of Communist China's puppet regime closed on 11 April. The session drew heavy worldwide attention because it was the first major meeting in Communist China since an outbreak of intellectuals' mass resistance to communist rule at the end of last year. It was also the first gathering of the communists since Teng Hsiao-ping forced Hu Yao-pang to resign as general secretary of the Chinese Communist Party.

Though the gathering drew together some 2,000 so-called deputies to the meeting, its contents were empty and dull. Only four so-called ministers were appointed and several routine proposals were adopted at the meeting. As a matter of fact, Communist China convened this meeting just for show, with the intention of diverting people's attention from the storm of anticommunism that raged at the end of last year and early this year.

All the same, this meeting exposed many of Communist China's problems. Chao Chi-yang's Government Work Report and the resolution on it adopted at the session tellingly showed the course of action that the puppet regime would take in the future and the dilemmas they face. Now let us explain as follows:

First, we should draw our attention to the two most conspicuous problems highlighted by Chao Chih-yang's report and the NPC resolution. One was the political problem, especially the problem of education and propaganda in political and ideological matters. Communist China decided to deepen the campaign of upholding the four cardinal principles and resolutely opposing bourgeois liberalization. [passage omitted]

Why does Communist China now go out of its way to sell the line on the four cardinal principles? This only shows that the communists are faced with unprecedented resistance. Our compatriots on the mainland are totally opposed to the four cardinal principles. Especially noteworthy is the fact that many who oppose the four cardinal principles are young cadres and intellectuals within the Communist Party. It is therefore no wonder that this meeting highlighted the upholding off the four cardinal principles and made it a course of action for the future. [passage omitted]

Another concern is the economic problem. The meeting decided to implement the campaign to increase production and practice economy and to increase revenues and reduce expenditures. The real aim of the campaign is to rein in investment, limit the scope of opening, hold down rising commodity prices, reduce financial deficits, and solve the economic crises brought about by difficulties. These economic difficulties were not brought about by lack of investment and heavy debts. Instead, they are the result of wastefulness and collective corruption in Communist China. [passage omitted]

Therefore, the recent NPC session especially highlighted the importance of increasing production and practicing economy and increasing revenue and reducing expenditure. Observing from the general drift of the above, we can understand that the political and economic crises of the communists are gradually eroding the foundation of the puppet regime.

HONG KONG

DENG XIAOPING MEETS LAW DRAFTING COMMITTEE MEMBERS

OW160649 Beijing XINHUA in English 0637 GMT 16 Apr 87

[Text] Beijing, April 16 (XINHUA) -- Whether the concept of "one country, two systems" will be a success will ultimately be shown by the Hong Kong Brsic Law, Chinene senior leader Deng Xiaoping said here today.

Deng, chairman of the Chinese Communist Party Central Advisory Commission, Haid this at a meeting with about 50 members of the Hong Kong Basic Law Drafting Committee, which is now in session here.

In his remarks to the Basic Law Drafting Committee members, Deng stressed the importance of the Basic Law, saying such a law will be something new that the world has never known before. It will set a precedent for Macao and Taiwan as well, he added.

In the past two years, he said, members of the committee have worked hard and cooperated well and the drafting has been going on at a fairly fast speed.

He expressed the hope that the members would continue to pool efforts to complete the draft in the next three years.

"I believe I shall live to see it," Deng said.

Deng Stresses Stability

HK160448 Hong Kong Commercial Radio in English 0430 GMT 16 Apr 87

[Text] China's top leader Deng Xiaoping says there is no reason why Hong Kong cannot retain its present system even after the year 2047. He told the Basic Law Drafting Committee [BLDC] in Beijing this is possible if things go smoothly until then. But Mr Deng also sounded a note of caution against rapid political change, as Jeremy Austin reports:

[Begin Austin recording] Mr Deng's discussion with BLDC members covered a wide range of topics, but he consistently assured them that the most important thing for Hong Kong is stability. He said he welcomed recent comments by the Governor, Sir David Wilson, that any change here must be gradual.

Mr Deng expressed the view that there is no need for the territory to mimic Western elections, and said if direct representation to the Legislative Council is deemed necessary, it should be introduced slowly.

He also pointed out it's important for future legislators to be loyal to both Hong Kong and China, and said it is possible that direct elections could be introduced on the mainland some time in the next century.

Mr Deng said although Beijing would allow Hong Kong autonomy under the "one country, two systems" concept, it cannot ignore developments here or allow the territory to become a base for anticommunism.

He also told the members that the Basic Law cannot be too detailed, as it must remain flexible. It's the first time Mr Deng has talked in detail with the drafters, although he did make a brief appearance at the committee's first meeting almost 2 years ago. [end recording]

Deng Comments Detailed

HK160815 Hong Kong HSIN WAN PAO in Chinese 16 Apr 87 p 1

["Special dispatch" from correspondent Shih Chun-kang: "Deng Xiaoping Meets Basic Law Drafting Committee Members, Says Political System in Hong Kong Should Develop in an Orderly Way, Step by Step"]

[Text] Beijing, 16 Apr — CPC Central Committee Advisory Commission Chairman Deng Kisoping spoke for about 1 hour today with the members of the Basic Law Drafting Committee [BLDC]. After the meeting, BLDC member Cha Liang-yung quoted Chairman Deng as having reiterated that there will be no change in China's domestic and foreign policies. After the establishment of the Hong Kong Special Administrative Region [SAR], Hong Kong's present capitalist system can continue unchanged for another 50 years after the first 50 years of no change. In addition, what kind of political system and administrative methods Hong Kong should practice should be decided in accordance with the actual requirements. If universal elections are wanted, it would be best to proceed in an orderly way, step by step. The central government will shoulder the responsibility regarding problems that the SAR government cannot solve, and solve them on its behalf.

Deng Xiaoping declared that the Hong Kong people who will rule Hong Kong should be loyal to both China and Hong Kong. He wondered whether this goal could be attained if universal suffrage were applied. He said the new Hong Kong Governor Wilson recently stated in a speech that Hong Kong's political development should proceed in an orderly way, step by step. Chairman Deng Xiaoping said that this was very well said; even if universal suffrage were adopted, it would be better to introduce this gradually. He also spoke on elections in China. He said that China applies the method of indirect election, because China has a big population, the cultural qualities of the electorate are inadequate, and the conditions are insufficient. Maybe there could be universal elections in the next century.

He stressed that, in short, a country or a region within a country should judge and decide what kind of political system and administrative methods to apply based on the actual conditions and its own characteristics.

On future relations between the central government and the Hong Kong SAR government, Chairman Deng said that some people believe it would be grand if the central authorities paid no attention whatsoever to what happens in the SAR. This is unrealistic thinking. The central authorities will certainly not specifically interfere in Hong Kong's affairs, but if something happens that is detrimental to the fundamental interests of the state and of Hong Kong, the central authorities will not ignore it. If such a thing happens, he said, I'm afraid that Hong Kong will be unable to resolve the matter itself.

However, he said that the central policies will not hamper Hong Kong's prosperity and stability. However, he believes that there are some things that can not be resolved if the central authorities do not step forward at all, just as in the past Britain has stepped forard to help in some matters. Hence, in the future, the central government will come forward to help resolve problems that Hong Kong cannot resolve itself. He stressed that the central government will not do anything detrimental to Hong Kong's interests.

He also said that after 1997, the central authorities will allow Hong Kong people to abuse the Communist Party, but if certain people engage in activities and regard Hong Kong as a base for opposing the mainland, the central authorities cannot but intervene; however, such intervention will be done through the Hong Kong SAR government. The PLA stationed in Hong Kong will only be mobilized if big disturbances break out.

He said to the BLDC members present that the whole process of drafting the Basic Law is very important. You should base your work on reality and avoid emptiness. For the Basic Law to succeed, its contents must be practical.

On the recent opposition to bourgeois liberalization, Chairman Deng said that there will be no changes in China's domestic and foreign policies. However, no change refers to two aspects: 1) No change in the open policy; and 2) no change in the policy of the socialist economy and Communist Party leadership. These are clearly written in the Constitution. The latter is just as important as the former, since there is no basis for "one country, two systems" without a socialist economy and Communist Party leadership.

He said that it is necessary to take a long-term view when observing the development of China's policies. A view of at least 70 years should be taken. He pointed out that as in the case of the incident of Comrade Hu Yaobang, some people mistakenly think that China's policies have changed.

He said that with the recent cutback in some capital construction projects, some others think that the open policy has been withdrawn; when implementing such big plans, there will naturally be both opening up and withdrawal, and things will move faster sometimes and slower at other times. There is nothing strange about readjusting timetables. People should look at the overall picture and the long term. In short, we should sum up experiences without being oversensitive. We should open up when necessary and withdraw when necessary. The general spirit is that there is no change in the policy of opening up and reform.

He also said that the reason why the central authorities acted strictly in resolving the recent student movement was that China needs political stability to develop its economy and bring its national income into the world's top 10 in the next century.

All these remarks were relayed by BLDC member Cha Liang-yung. The official version will be released after compilation this afternoon.

DENG LIQUN SAYS NO ANTILIBERALIZATION DRIVE

HK160517 Hong Kong WEN WEI PO in Chinese 16 Apr 87 p 1

[Dispatch: "Deng Liqun Tells WEN WEI PO There Will Be No Antiliberalization Drive in Hong Kong"]

[Text] Beijing, 15 Apr -- CPC Central Committee Secretariat member Deng Liqun said today when discussing the mainland's opposition to bourgeois liberalization with our correspondent, that this is entirely an internal affair. Hong Kong should continue to pursue liberalization and there should be no mutual interference.

Deng Liqun said this when talking to our correspondent after attending a forum convened by the Heilongjiang Music Publishing House to mark the publication of the "Dragon Soul" symphonies.

LETTER OPPOSES DIRECT USE OF PRC LAWS

HK160411 Hong Kong HONGKONG STANDARD in English 15 Apr 87 pp 1, 18

[By Kathy Chan]

[Text] Twelve members of the Hong Kong Basic Law Consultative Committee (BLCC) have sent an unprecedented letter of support to law drafters opposing the direct application of Chinese laws to the territory after 1997.

More of the 180 Consultative Committee members are expected to signal support in coming days, THE STANDARD has learnt.

The application of Chinese laws to Hong Kong is being strongly opposed by Mr Martin Lee and Mr Szeteo Wah in the current plenary session of the Basic Law Drafting Committee (BLDC) in Beijing.

The letter marks the first time that BLCC members have expressed an opinion in this way, and to a full drafting committee meeting in Beijing.

It was initiated by members of the subgroup dealing with the question of relations between Hong Kong and the central government and the working group on conflicts of laws, extradition and related matters.

The group had planned to present its opinions to drafters in a report, but a lack of a quorum forestalled this.

Members opposing the application of Chinese laws to Hong Kong said exceptions should be made only for those laws already incorporated into the Basic Law or that have been passed by the post-1997 legislature. This is in line with a proposal by one of their working groups.

They also want to scrap the new clause on "matters of critical importance to the state", which was suggested by mainland drafters at last month's meeting in Guangzhou as a criterion for applying a mainland law to Hong Kong. They think no matters other than defence and foreign affairs should be considered as of critical importance to the state.

This would allow post-1997 courts to try all cases other than those involving these two areas.

Their third concern was over the power of the future Hong Kong Special Administrative Region [SAR] to propose amendments to the Basic Law.

They agreed that no amendment should be proposed by any single authority in Hong Kong. But they thought support from two-thirds of the local legislators and the chief executive to any proposal to amend the Basic Law would be enough.

The Guangshou meeting had ended with the proposal that agreement by locally elected deputies to the National People's Congress (NPC) also should be required.

e twelve write in their letter that local deputies should only play a "middleman" role in such things.

As for amendments proposed by the NPC Standing Committee and the State Council, they requested that the proposals have to be accepted by two-third of the SAR legislators before they would be listed on the NPC agenda for discussions.

Meanwhile, Taiwan's vice-premier has said the island's government will "carefully monitor developments in Hong Kong over the next 10 years before deciding how to handle its lucrative commercial links in the territory." "Hong Kong's future is clouded," said Lin Yang-kang, one of the most influential native Taiwanese politicians in the nationalist Chinese government. Mr Lin's appointment as president of the Judicial Yuan, Taiwan's highest judicial body, is expected to be formally approved on Thursday.

The nationalists have so far refused to recognise the 1984 agreement on Hong Kong.

Mr Lin said there had been an increase in Mainland Chinese capital and personnel in Hong Kong "in an attempt to control Hong Kong's political and economic veins and freedom of expression."

MACAO

DRAFTING OF BASIC LAW LIKELY TO START IN 1988

HK130415 Hong Kong HONGKONG STANDARD in English 13 Apr 87 p 20

[From Yau Shing-mu in Beijing]

[Text] China will start drafting a constitution for post-1999 Macao probably early next year depending on the progress of work on the Hong Kong Basic Law, a senior Chinese official said yesterday. The vice-director of the Hong Kong and Macao Affairs Office at the State Council, Mr Li Hou, said it would better to work on Macao's constitution after a rough draft of the Hong Kong one is finished early next year. China also has not yet decided on who will sit on the Macao Basic Law Drafting Committee.

Meanwhile, about 20 Hong Kong members of the Hong Kong Basic Law Drafting Committee arrived in Beijing yesterday for a five-day meeting of the committee which starts this morning. This fourth plenary session will discuss how power should be shared between the Chinese central government and the Hong Kong Special Administrative Region Government when Hong Kong reverts to Chinese rule in 1997. The committee chairman, Mr Ji Pengfei, and six of the eight vice-chairmen, yesterday proposed an agenda which will be put to the 58-member committee for endorsement this morning. The agenda proposes an examination of the draft work.

PRC 'WILL NOT STATION TROOPS IN MACAO' POST 1999

HK150529 Hong Kong SOUTH CHINA MORNING POST in English 15 Apr 87 p 2

[From Terry Cheng in Beijing]

[Text] China will not station troops in Macao in the future as it considers it unnecessary to have a garrison in the tiny enclave, according to Chinese sources.

This question, along with the selection of the chief executive and the legislature and the preservation of the judiciary system are thought to be the major grey areas of the Macao pact signed on Monday.

Some observers believed that these issues might trigger contentious debates in future.

Chinese officials involved in Macao affairs said these issues had been settled in principle in the relatively short negotiations leading to the initialing of the agreement.

A crucial elaboration regarding the stationing of Chinese troops as mentioned in the joint declaration on Hong Kong is absent from the Sino-Portuguese pact, which states only briefly that "the Central Government shall be responsible for the defence of the Macao Special Administrative Region."

The joint declaration on Hong Kong, by contrast, states that "military forces sent by the Central People's Government to be stationed in the Hong Kong SAR [Special Administrative Region] for the purpose of defence shall not interfere in the internal affairs of the Hong Kong SAR and expenditure for these military forces shall be borne by the Central People's Government."

While the Macao agreement is vague on whether Beijing will actually station troops in Macao after 1999, a statement earlier this month by a senior People's Liberation Army officer caused confusion.

Mr Xu Xin, deputy chief of general staff, told a press conference that stationing of troops in Macao, as in the case of Hong Kong, had already been agreed upon.

Chinese officials whose responsibilities relate to Pacao said Mr Xu's statement was inaccurate. They explained that Beijing would not strion its troops in Macao although it had the right to do so.

The reason was that the enclave was so small, a garrison was unnecessary. The Army organ, LIBERATION DAILY, itself pointed out that since 1976 Portugal had stationed no troops in Macao. Chinese officials explained that since there would be no troops in Macao, it was not necessary to include the clause that military forces sent by the central government should not interfere in the internal affairs of the Macao SAR.

On the selection of the future chief executive and the legislature, Chinese sources said it was the Portuguese side which requested that the majority of members of the legislature should be elected.

Annex I of the Macao pact states: "The legislature shall be composed of local inhabitants, and the majority of its members shall be elected.... Its chief executive shall be appointed by the Central People's Government on the basis of the results of elections or consultations to be held in Macao."

These arrangements are different from those in the Sino-British Joint Declaration which states: "The Hong Kong legislature shall be constituted by elections and its chief executive shall be selected by election or through consultations held locally and be appointed by the Central People's Government."

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